

# **EMPLOYEE HANDOUT**

## **Frequently Asked Questions Regarding Social Security Benefits**

### **1. What documents will I need when I apply for Social Security benefits?**

The documents required to prove your eligibility for Social Security will depend on the circumstances of your claim. Below is a list of some of the documents that may be used:

- Your Social Security card (or a record of your number)
- Your birth certificate
- Children's birth certificate (if they are applying)
- Marriage certificate
- Your most recent W-2 form
- Your military discharge papers if you have military service

You must bring or mail the original documents, or certified copies, to the local Social Security office, where they will be photocopied and returned to you.

### **2. I will be 62 on August 2 of this year and that is when I plan to retire. Will my first benefit check be for the month of August or September?**

Since you were born on the first or second day of the month, you will be eligible in the month you were born; in this case, August. However, Social Security usually begins the following month after a person reaches age 62. To receive retirement benefits, you must be at least age 62 for the entire month.

### **3. What Social Security benefits are available for retired or disabled workers and their families? Available benefits include:**

- a) A monthly retirement benefit for a retired, insured worker.
- b) A monthly disability benefit for a disabled worker.
- c) A monthly spouse's benefit for a retired or disabled worker's spouse if he or she is at least 62 years old, or any age if caring for at least one child (under age 16, or over age 16 and disabled) of the retired or disabled worker.
- d) A monthly child's benefit for a retired or disabled worker's child if the child is under age 18 or age 18 and a full-time high school or elementary school student, or age 18 or over and disabled.

#### **4. What are the requirements for a worker to be insured for Social Security retirement benefits?**

A person is fully insured if he/she has 40 credits or quarters. This usually translates to 10 years of Social Security covered employment. When this is achieved the worker is fully insured for life.

Additionally, a worker may be insured if he/she has at least 6 credits of coverage, and he/she has acquired at least as many credits as there are years elapsing after 1950 (or, if later, after the year in which the worker reaches age 21) and before the year in which the worker dies, becomes disabled or reaches age 62, whichever occurs first.

#### **5. In general, what requirements must be met to qualify for Social Security disability benefits?**

A worker is entitled to disability benefits if he or she:

- a) Is insured for disability benefits;
- b) Is under age 65;
- c) Has been disabled for 12 months, or is expected to be disabled for at least 12 months;
- d) Has a disability which is expected to result in death;
- e) Has filed an application for disability benefits; and,
- f) Has completed a 5-month waiting period or is exempt from this requirement.

#### **6. What are the criteria to be insured for disability benefits under Social Security?**

A person is insured for disability benefits if he/she has earned at least 20 credits in the last 10 years ending with the year in which the person is determined to be disabled. Typically, if the employee worked under Social Security for at least five of the last 10 years before becoming disabled, this requirement will be satisfied.

Special rules apply if the disability begins between the ages of 24 and 31. If the disability begins between the ages of 24 and 31, the employee must have worked for at least one-half the time of the period beginning with the quarter after reaching age 21, up to the time of becoming disabled. Thus if a person becomes disabled in the quarter in which he attains age 25, he/she must have worked for at least two out of the four year period ending with the quarter in which the disability began.

## **7. When do the disability benefits begin?**

If Social Security approves your disability application, in most cases your monthly benefits will begin with the sixth full month of your disability. For example:

John has a severe heart attack on March 15. He files for disability on March 29, and his claim is approved on May 30. September is the sixth full month that he is disabled. Social Security checks are usually paid the following month, so John's first check should arrive in October.

## **8. Is the spouse of a retired or disabled worker entitled to benefits?**

An individual is entitled to spouse's benefits on a worker's Social Security record if:

- a) The worker is entitled to retirement or disability benefits; and
- b) The individual has filed an application for spouse's benefits; and
- c) The spouse is not entitled to a retirement or disability benefit based on a primary insurance amount equal to or larger than one-half of the worker's primary insurance amount; and
- d) The spouse is either age 62 or over, or has "in care" a child under age 16 or disabled, who is entitled to benefits on the worker's Social Security record.

The spouse must have been married to the worker for at least one year just before filing an application for benefits, or the spouse must be the biological parent of the worker's biological child.

## **9. If the spouse of a retired worker begins receiving a spouse's benefit before Normal Retirement Age, how is the benefit reduced?**

The spouse's benefit is one-half of the retired worker's full (unreduced) benefit. The spouse's benefit is permanently reduced between 32.5 percent and 37.5 percent at age 62. This same reduction applies to benefits payable to former spouses.

## **10. What does having a child "in care" mean?**

Having a child "in care" is a basic requirement for spouse's benefits when the spouse is under age 62 or if that spouse is applying for mothers and fathers benefits on the deceased worker's record. "In care" means that the parent exercises parental control and responsibility for the welfare and care of a child under age 16 or a child older than age 16 who is disabled or mentally incompetent.

**11. I am a divorced spouse of a retired worker. Could I be entitled to any benefits?**

You may be if you were married to the retiree for 10 years before the divorce, you are age 62 or over, and you are not married. Additionally, your former spouse must be eligible for retirement or disability benefits. A divorced spouse who is age 62 or over and who has been divorced for at least two years is able to receive benefits based on the earnings of a former spouse who is eligible for retirement benefits. The two-year waiting period is waived if the worker was entitled to benefits prior to the divorce. You should contact your local Social Security office to get more details and to file an application for divorced spouse's benefits.

The amount of a divorced spouse's benefit is calculated in the same manner as that of a spouse. Typically that amount will equal 1/2 of the beneficiary's former spouse's unreduced benefit. A divorced spouse's benefit is paid independently of other family benefits.

**12. I have two children at home and I plan to retire next fall. Will my children be eligible for monthly Social Security checks after I retire?**

Monthly Social Security payments may be made to unmarried children under age 18 or age 19 if they are still in high school, or children age 18 or over who were severely disabled before age 22 and who continue to be disabled.

**13. My two children and I have been receiving survivor's benefits since my spouse died. Will these benefits continue if I remarry? I would be age 42 when I remarry.**

The remarriage would have no effect on the benefits being paid to your children. If you are receiving benefits only because you are caring for your children, your benefits would end at the time of your remarriage unless you marry someone who is receiving Social Security benefits.

The remarriage of a widow or surviving divorced spouse after age 60, or the remarriage of a disabled widow(er) or disabled surviving divorced spouse after age 50 and after the onset of the disability, will not prevent that individual from becoming entitled to benefits on his or her prior deceased spouse's Social Security record.

**14. My mother, a widow, died in January. Should I return her January benefit (paid in February) even though she was alive most of the month?**

To be entitled to a Social Security benefit check for a given month, the person must be alive the entire month. No benefit is payable for the month of death.

**15. What is the Social Security lump sum death payment?**

A lump sum death benefit of \$255 is paid upon the death of an insured worker, provided he/she is survived by a spouse who was living in the same household as the deceased at the time of death, or a spouse or dependent child eligible to receive Social security benefits for the month of death based on his earnings record.

An application does not need to be completed by the widow(er) if he or she was receiving a spouse's benefit when the worker died. Otherwise, an application must be filed within two years after the insured person's death unless good cause can be shown why the application was not filed timely.

**16. Are Social Security benefits subject to Federal income tax?**

Social Security retirement, survivor, and disability benefits may be taxable in some cases. If the only income a person receives is Social Security benefits, the benefits generally are not taxable. If a person has other income in addition to benefits, he may have to file a return even if none of the benefits are taxable. If the total of a person's income plus half of his benefits is more than the *base amount*, some of the benefits are taxable.

The base amount is:

\$25,000 if you are single, head of household, or qualifying widow(er).

\$25,000 if you are married filing separately and lived apart from your spouse for any time during the year.

\$32,000 if you are married and filing jointly; or

\$0 if you are married filing separately and lived with your spouse at any time during the year.

**In January, Social Security will send a Form 1099 (*Social Security Benefit Statement*), showing the amount of benefits received in the prior calendar year. A worksheet (IRS Notice 703) is included for determining whether any portion of the Social Security benefits received is subject to income tax.**