

Understanding Social Security and Medicare

Eligibility for Social Security

- 40 credits to be considered fully insured
- 1 credit for every \$1,640 earned income
- Maximum 4 credits per year

Spousal Benefit

- 50% of working spouse benefit
- Must be married at least 12 months
- Divorced spouse also eligible if married at least 10 years and not currently married
- Reduction applies if under Full Retirement Age

Survivor Benefit

- Deceased must have been fully insured
- 100% of benefit to widow(er)
- Reduction applies if under Full Retirement Age (FRA)
- Must be 60 or older

Costs of Medicare Part A

- \$1,600 deductible per period
- Days 1-60: \$0
- Days 61-90: \$400 per day coinsurance
- Days 91+: \$800 per "lifetime reserve day"

Costs of Medicare Part B¹

- \$164.90 monthly premium
- \$226 annual deductible
- 20% coinsurance Medicare approved expenses after deductible is met

Costs of Medicare Part D

- Typically a \$505 deductible and then a 25% coinsurance
- Coverage gap is entered when you and your plan have spent \$4,660
- Catastrophic coverage applies when you have spent \$7,400 out of pocket

Social Security Full Retirement Age (FRA)

Birth Year	Age of Full Benefits
1943 – 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

- Eligible to receive starting at age 62
- Full benefit reduced by about 6% for every year received early
- Full benefit increased by about 8% for every year received later

How work affects the benefit

Before FRA	Year of FRA	FRA and after
Benefit reduced \$1 for every \$2 earned over \$21,240	Benefit reduced \$1 for every \$3 earned over \$56,520	No reduction in benefits when at Full Retirement Age

Taxation of Social Security



Combined income determines how much of your Social Security benefit is taxed

www.CATbenefitsCenter.com

Benefits Center: 877-228-4010 Mon-Fri, 8AM – 6PM CT

Social Security website: www.ssa.gov

Medicare: www.medicare.gov

¹ Premiums can range from \$164.90 to \$560.50, depending on your income level. Visit www.medicare.gov for more information.

Information here is provided solely to supplement the "Understanding Social Security and Medicare" presentation. This information should not be considered advice, and your information may warrant consideration of other alternatives. Please speak with your financial advisor and/or tax advisor. Data provided is based on the 2023 tax year.