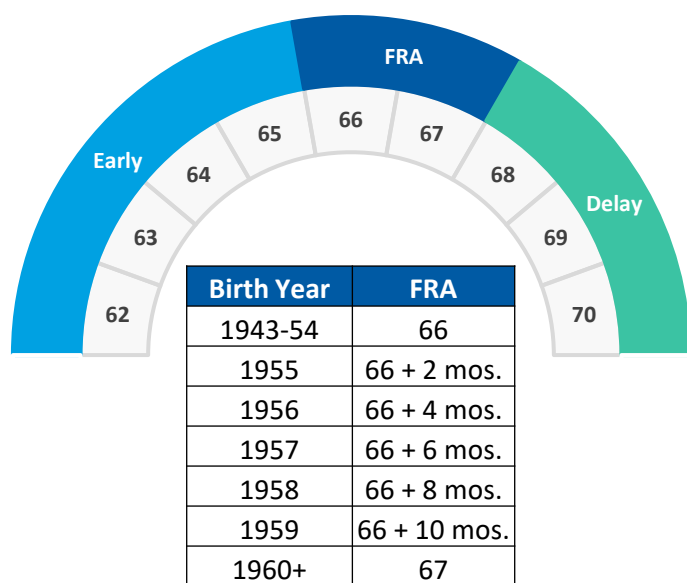


# The Balog Group at Morgan Stanley

## Social Security Frequently Asked Questions

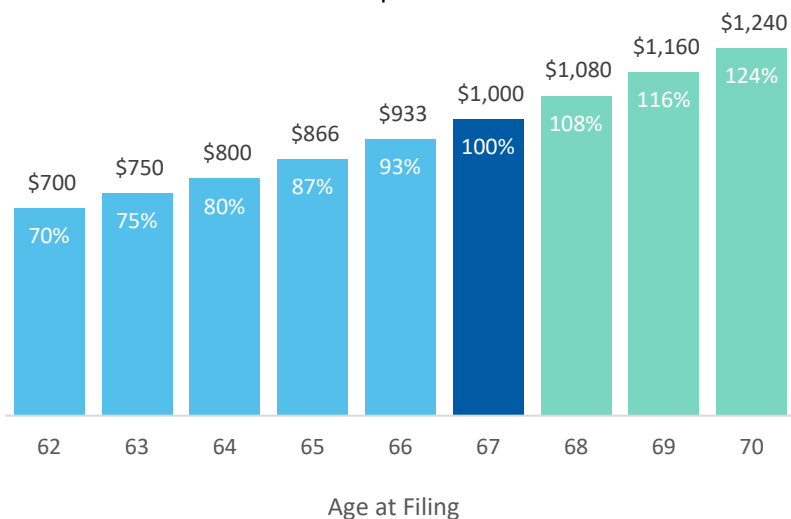
### What is your Full Retirement Age (FRA)?

Your FRA will depend on the year you were born - see the chart below. You are unable to file any earlier than 62. And there is no benefit to filing after age 70.



### How will electing to receive my benefits earlier vs. later impact my payments?

Benefits are reduced if elected early. Whereas delaying your benefits increases the amount received. The below bar chart is an example case.



### How will working impact your social security benefits?

Before FRA	Benefits are reduced by \$1 for every \$2 above \$19,560 in earned income
At FRA	Benefits are reduced by \$1 for every \$3 above \$51,960 in earned income
After FRA	Benefits are not reduced and there is no limit on earnings

### How will my social security benefits be taxed?

Your benefits will be taxed based on the amount of "Combined Income" you report. Combined income is equal to your MAGI (Modified Adjusted Gross Income) + 1/2 of your Social Security Benefits. See the table below for the breakdown:

Single Filers	Married Filers	Amt of Social Security that's considered as 'taxable income'
<\$25,000	<\$32,000	0%
\$25,001 - \$34,000	\$32,001 - \$44,000	Up to 50%
\$34,000+	\$44,000+	Up to 85%

### What is the average and maximum benefits?

The benefits you receive will depend on how much you paid in taxes during your career. Below is the 2023 estimated averages and the maximum monthly benefits.

	Individual Retired Workers	Aged Couple, Both Receiving Benefits
Average	\$1,827/mo.	\$2,972/mo.
Maximum	\$3,627/mo.	\$7,254/mo.

\*These numbers are adjusted for the 8.7% COLA received from 2022

### How much of my income went into social security?

The Federal Insurance Contributions Act (FICA) taxes income at a rate of 15.3%, half of which is paid for by the employee (7.65%) and half paid for by the employer (7.65%). Self-employed individuals are responsible for the combined amount. 6.20% of the 7.65% goes towards social security (OASDI) and the remaining 1.45% goes towards Medicare (HI). OASDI is only taxed on the first \$160,200 of your income, whereas the Medicare portion has no income limits.

## Where do I go to get an estimate of my future social security benefits?

You'll have to create an account on the social security website. You can find a link here: <https://www.ssa.gov/prepare/plan-retirement>. It is a bit of an involved process as they will have to verify you are who you say you are and set up security measures. There are other places online that may offer estimates and calculator tools, but going straight to the social security site will offer you the most accurate picture of what your benefits will be. Be sure to download your social security statement and review the data for accuracy as it will have your earnings history reported there.

### Sources:

1. [ssa.gov](https://www.ssa.gov/prepare/plan-retirement) – 2023 Factsheet
2. [ssa.gov](https://www.ssa.gov/prepare/plan-retirement) – When to Start Receiving Retirement Benefits
3. Hartford Funds – Social Security: Unlock It's Potential

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