

Key Facts to Consider

How is my Benefit Calculated? Your Social Security benefit is calculated using 35 years of your highest earnings. Your benefit will receive regular Cost of Living Adjustments (COLA) to keep pace with inflation.

Your Decision is Permanent. It is important to make an informed decision because changing it later will be very difficult or impossible. For example, you do not have to begin your Social Security benefits when you retire. You must understand your options to ensure you are maximizing your benefit. We recommend our Social Security Optimizer report, especially for couples, to learn your options..

It May Pay to Delay – For each year you defer taking your benefit, your benefit will increase approximately 8%.

Retiring at 62 is a Challenge for Most People – You cannot start Medicare until the age of 65, so finding an affordable healthcare option that bridges the gap between 62 and 65 is your responsibility.

Social Security Can Inadvertently Affect Your HSA – When you enroll in social security, you are auto-enrolled in Medicare Part A and can no longer contribute to an HSA. Additionally, any HSA contributions made by your employer in this tax year are taxable and should be claimed as such.

Social Security Checklist

- ☐ Open your MySocialSecurity account at <http://www.ssa.gov> and verify your earnings history is correct.
- ☐ Research your options based on when your 'full benefit' is available and how your benefit changes at different ages.
- ☐ If you are married, the options increase tremendously, so you should:
 - ☐ Schedule a consultation with BeManaged and request a Social Security Optimizer report to determine how best to maximize your benefit.
 - ☐ Evaluate the results along with your personal Retirement Income plan.



Social Security	Early	Full	Deferred
If born before 1959	62*	66	70
If born after 1959	62*	67	70
Impact on benefit	75% of full benefit	8% increase in benefit for every year deferred up to age 70	

*Medicare is not available until age 65.



Taxes – What is Provisional Income?



*(e.g., tax exempt bond interest)

Provisional Income Determines Tax on Social Security Benefit

Many people will be paying taxes on a portion of their Social Security benefits, which were funded with pre-tax monies, just like your pre-tax retirement plan savings.

Social Security benefit is not subject to tax	
Individual: \$25k or less	Joint: \$32k or less
↓	
Up to 50% of Social Security benefit is taxed	
Individual: \$25k to \$34k	Joint: \$32k to \$44k
↓	
Up to 85% of Social Security benefit is taxed	
Individual: \$34k+	Joint: \$44k+

Strategies to Decrease your Provisional Income

Decrease your AGI (Adjusted Gross Income) by supplementing your income from tax-free or previously taxed sources such as your personal savings or Roth IRA funds.

Income Source	Annual Amount	Provisional Income Amount	Total Income	Provisional Income	Tax % of Social Security Benefit
Pre-Tax Investments	\$30,000	\$30,000	\$66,000	\$48,000	85%
Social Security	\$36,000	\$18,000			

Income Source	Annual Amount	Provisional Income Amount	Total Income	Provisional Income	Tax % of Social Security Benefit
Pre-Tax Investments	\$13,000	\$13,000	\$66,000	\$31,000	0%
Roth or Personal Savings	\$17,000	\$0			
Social Security	\$36,000	\$18,000			

