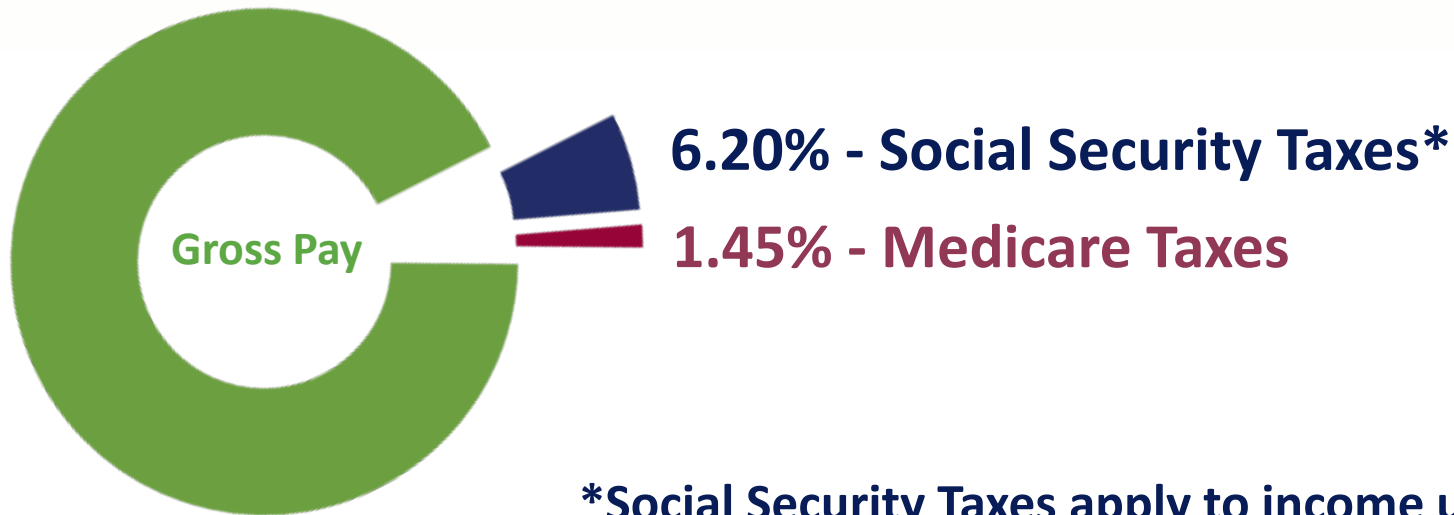


Timely Topic: Social Security

Funded by Federal Insurance Contributions Act (FICA) Taxes



***Social Security Taxes apply to income up to:**

- **2022:** First \$147,000
- **2023:** First \$160,200

Purpose of a Retirement Account



100%

30%



30%



40%



For illustrative purposes only. 40% replacement is a general rule of thumb.

Actual Social Security Replacement will vary. Source:

<https://www.ssa.gov/policy/docs/ssb/v68n2/v68n2p1.html>

Eligibility

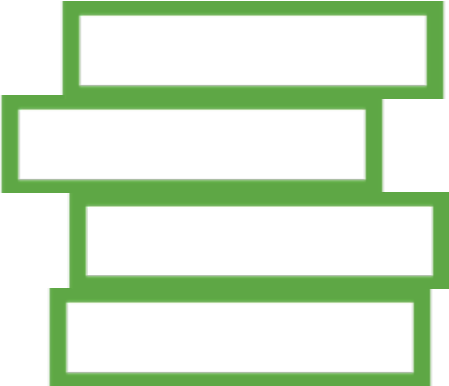
1 Credit



=

\$1,640 Earned
in a year (2023)

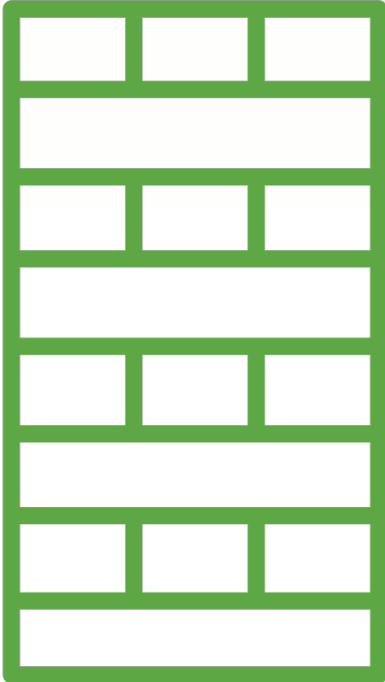
4 Credits



=

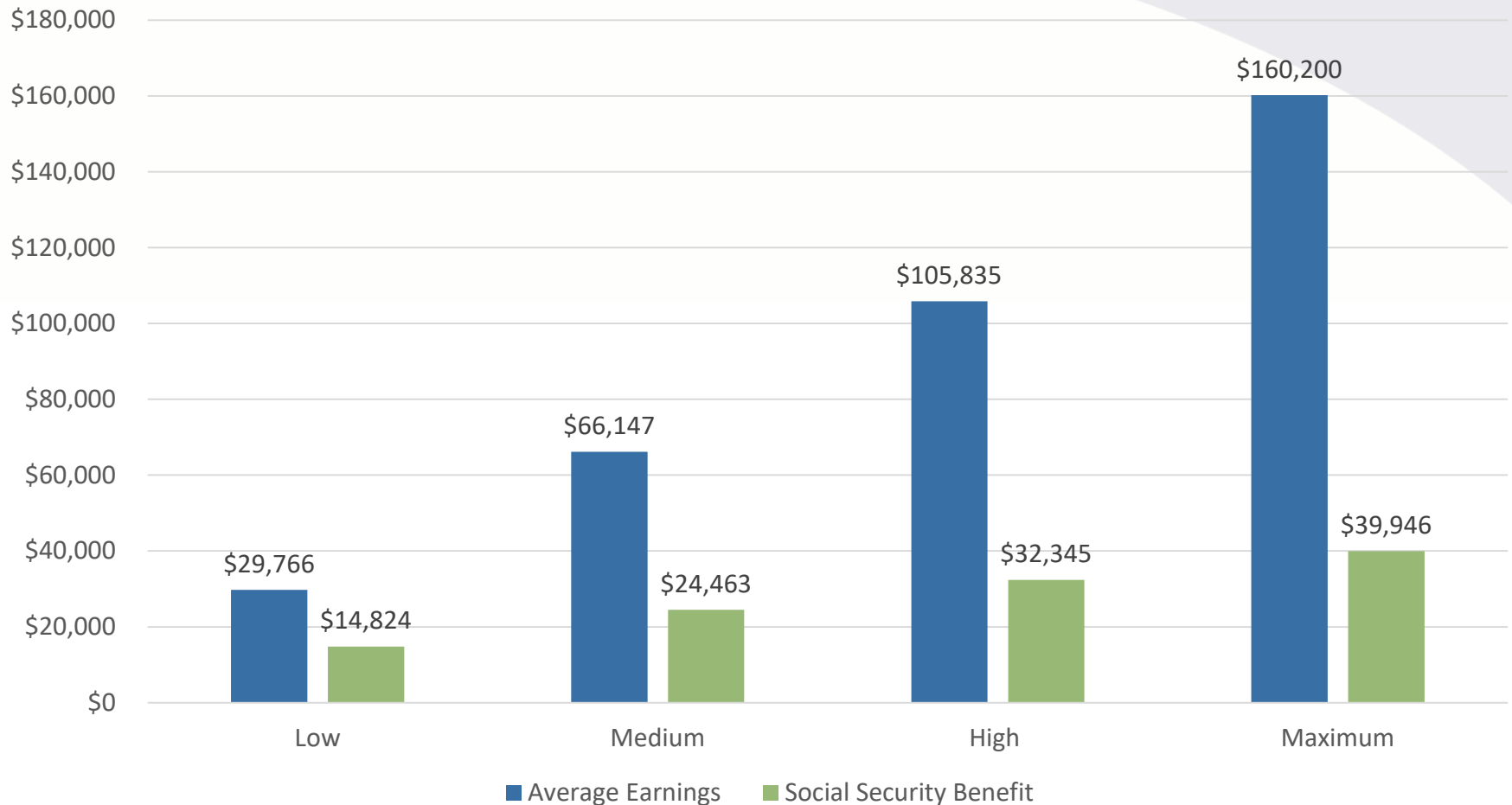
\$6,560 Earned
for maximum of 4
annual credits (2023)

40 Credits



Qualified for
Retirement

Earnings by Income



Source: Center on Budget and Policy Priorities and Social Security Administration, 2023 Trustees Report.
<https://www.cbpp.org/sites/default/files/atoms/files/8-8-16socsec.pdf>

Retirement Ages

For those born after 1960:

Early Retirement

62

70%

\$700

Full Retirement

67

100%

\$1,000

Delayed Retirement

70

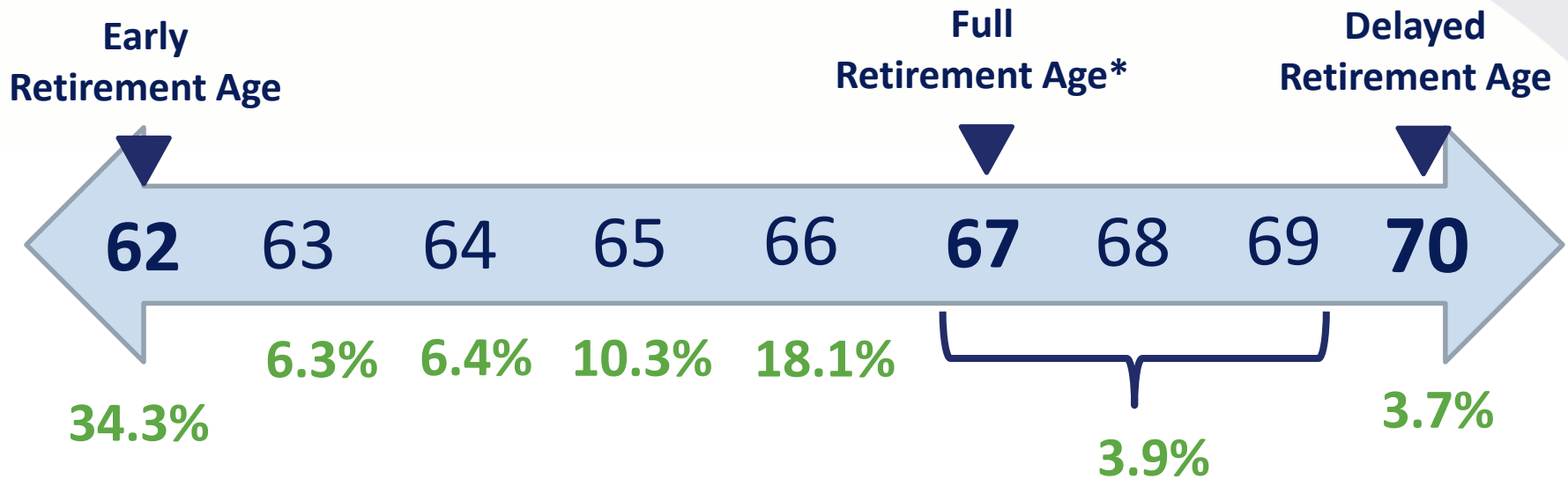
124%

\$1,240

Benefit amount is increased/decreased in monthly increments.

Values are hypothetical and for illustrative purposes only. Source: Social Security Administration:
<https://www.ssa.gov/benefits/retirement/planner/1960-delay.html>

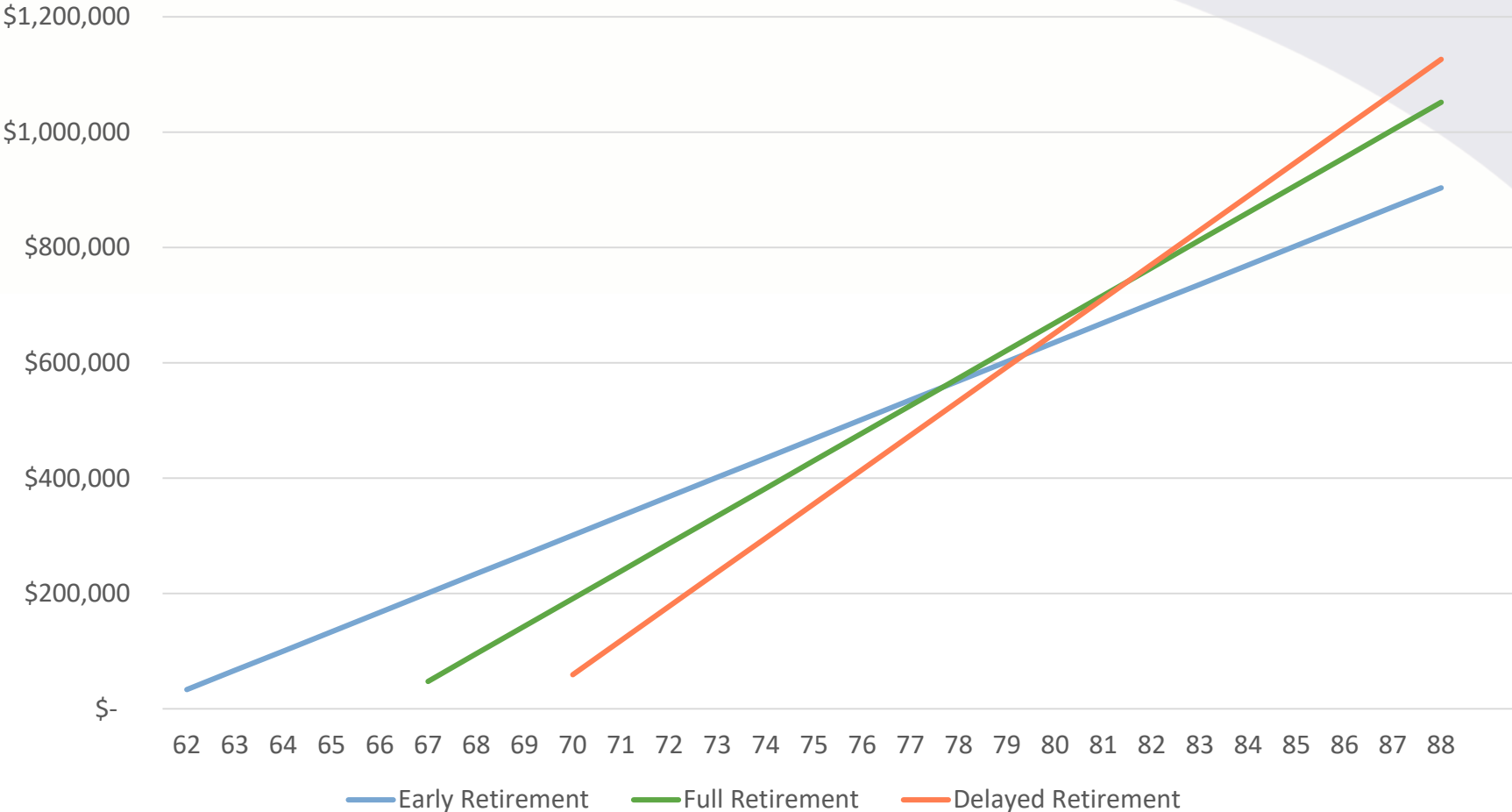
When do Americans Start SS?



* Full retirement age for those born after 1960

Source: Social Security Administration & Georg Petras/USA Today as of June 19, 2018 :
<https://www.usatoday.com/story/money/personalfinance/retirement/2018/06/19/whats-most-popular-age-to-take-social-security/35928543/>

Break-Even Points



For illustrative purposes only. Example uses hypothetical \$100,000 salary at retirement age. \$33,461 at 62, \$47,802 at 67, \$59,275 at 70. Does not account for inflation increases. Data source: <https://smartasset.com/retirement/social-security-break-even-age>

Changes Incoming?

Current projections have the Social Security Trust Fund depleted in 2034, after which, it is estimated 80% of benefits can be paid



Tax Increases



Benefit Reduction



Program Changes

Source: MSNBC Lorie Konish as of 03/31/2023: <https://www.cnbc.com/2023/03/31/social-security-trust-funds-depletion-date-moves-up-to-2034.html#:~:text=The%20Social%20Security%20trust%20funds,the%20Treasury%20Department%20on%20Friday.>