

In This Issue:

Social Security 101

- Social Security benefits
- Who benefits from Social Security?
- Social Security basics
- How do benefits accrue?
- Retire sooner or later?
- Full retirement age
- Who can assist me?

Social Security Benefits

If you are approaching retirement or already retired, you probably have some questions about whether or not you are eligible for Social Security benefits. Especially in the aftermath of significant financial losses, it is important to take a close look at the income benefits Social Security may provide.

Who Benefits from Social Security?

The Social Security program affects virtually every American, and is often the cornerstone of most people's retirement plans. According to the Social Security Administration, today about 165 million people work and pay Social Security taxes and about 59 million people receive monthly Social Security benefits.

Social Security Basics

The amount of Social Security benefits paid in retirement is generally based on the average of the highest 35 years of wages earned and the recipient's age at retirement.

How Do Benefits Accrue?

As you earn income and pay taxes*, you also earn "credits." For income earned in the year 2019, you must earn \$1,360 in covered earnings to get one Social Security or Medicare work credit and \$5,440 to get the maximum four credits for the year. The amount of earned income required to earn one credit usually increases every year. Most people need 40 credits (approximately 10 years of work) to qualify for benefits. The average of your earnings over your working years, not the number of credits you earn, determines how much your monthly payment will be.

**For Specific Tax Advice Consult a Qualified Tax Professional*

Retire Sooner or Later?

You generally can start receiving Social Security benefits as early as age 62 or as late as 70. However, if you start your benefits early, your benefits may be reduced. Choosing when to retire and begin drawing benefits may be one of

the most important decisions you will make in your lifetime.

Full Retirement Age

According to the Social Security Administration (SSA), full retirement age is 66 for people born between 1943 and 1954. Beginning with 1955, two months are added for every birth year until the full retirement age reaches 67 for people born in 1960 or later. If you choose to retire when you reach full retirement age, you will receive your full retirement benefits. But if you retire before reaching full retirement age, you will receive reduced benefits for the rest of your life.

Who Can Assist Me?

As you prepare to review where you stand financially it may be helpful to consult with a financial professional who can assist in making those informed decisions. Planning carefully, investing wisely and spending thoughtfully will help increase the likelihood that you stay on track to a financially secure retirement.



Investment Services offered through CFS*

Have you read...

"Social Security Income Planning: The Baby Boomer's Guide to Maximize Your Retirement Benefits," by Mr. Mark J Orr CFP

Please visit this source for more information:

<http://www.ssa.gov/planners/>

Interested in learning more?

We specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call us to set an appointment to review your investment objectives, and to discuss any questions you might have. We look forward to speaking with you!

John Habing, 505-872-5420

Program Manager, CUSO Financial Services, L.P.



Do you have a topic you'd like to see covered in future *Wealth News* newsletters?

Email your questions and comments to us at: jhabing@nusenda.org