

2024 Social Security Reference Guide



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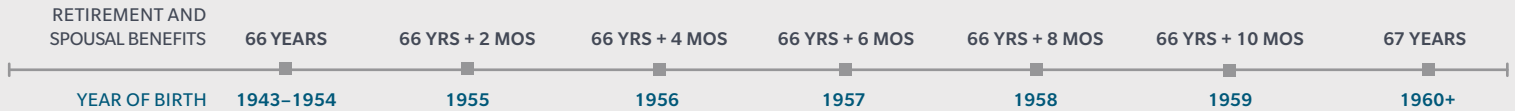
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Full Retirement Age (FRA)



Milestone ages

- 50** Catch-up contributions for IRA, 401(k), 403(b) and other employer sponsored retirement plans
Penalty-free withdrawals from governmental retirement plans for public safety employees who are separated from service
Disabled spouse eligible for Social Security survivors benefit
- 55** Penalty-free withdrawals from 401(k) if separated from service
Additional contributions for Health Savings Accounts
- 59½** Penalty-free withdrawals from IRA and retirement plans
In-service distribution if plan permits
- 60** Minimum Social Security survivors benefits
- 62** Minimum Social Security retirement benefits
Minimum Social Security spousal benefits
- 65** Medicare begins
HSA penalty-free withdrawals for nonqualified medical expenses* (qualified medical expenses are tax free)
- 66** FRA for retirees born 1943–1954
Maximum spousal benefits for spouses born 1943–1954
Maximum survivors benefits for survivors born 1945–1956
- 67** FRA for retirees born 1960 or later
Maximum spousal benefits for spouses born 1960 or later
Maximum survivors benefits for survivors born 1962 or later
- 70** Maximum Social Security retirement benefit
- 73** Required minimum distributions for traditional IRAs and some retirement plans**

* Please contact a tax advisor for information on qualified medical expenses.

**Under the “Setting Every Community Up for Retirement Enhancement Act” of 2019, as revised in 2022 (“the SECURE Act 2.0”), the required beginning date of RMDs is raised from age 72 to 73 for any person who attains age 72 after December 31, 2022. There is no change to RMDs for people who turned age 72 prior to January 1, 2023.

Sources: Social Security Administration, IRS.

Requirements to qualify for Social Security retirement benefits

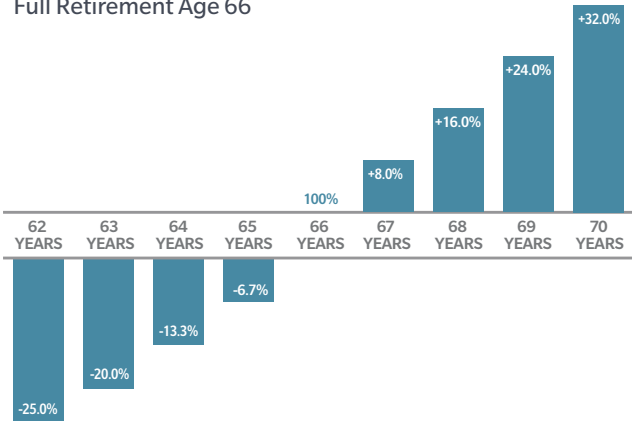
40 You must work for at least 40 quarters to be eligible for Social Security retirement benefits

35 Your Social Security retirement benefits are averaged over your 35 highest-earning years

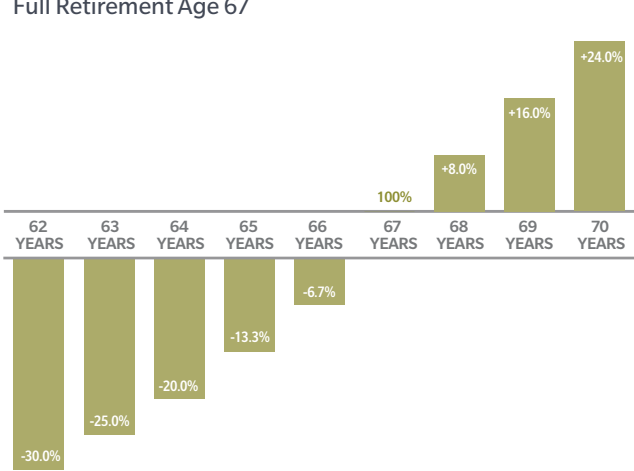
3.2% Cost-of-Living adjustment (COLA) for 2024

Retirement benefit increases and decreases

Full Retirement Age 66



Full Retirement Age 67



Source: Social Security Administration.

Benefits are adjusted yearly to reflect the increase, if any, in the cost of living as measured by the Consumer Price Index. The Social Security Administration adds the cost of living increase (if any) beginning with the year you turn 62. You don't have to be receiving Social Security benefits in order to receive the cost of living increase.

Primary insurance amount (PIA)

PIA is the Social Security retirement benefit at Full Retirement Age (FRA). It is the sum of three separate percentages of average indexed monthly earnings (AIME). For 2024, the percentages (bend points) are shown below.

BEND POINT 1		BEND POINT 2		BEND POINT 3
■ 90% of the first \$1,174 of AIME	+	■ 32% of AIME over \$1,174 and through \$7,078	+	■ 15% of AIME over \$7,078

Potential options to stop Social Security

Before FRA

GO BACK TO WORK

- Benefits will be temporarily withheld.*

At/after FRA

SUSPEND BENEFITS

- Eight percent annual growth continues off current amount.
- Cannot receive spousal benefits nor can your spouse receive a spousal benefit off you.
- Medicare premiums are paid out of pocket.

Any age

WITHDRAW APPLICATION

- Must be done within first twelve months
- Must repay everything (Social Security, taxes withheld, Medicare)

Source: ssa.gov

*If you are under FRA and go back to work, any benefit (retirement, spousal or survivor) may be withheld. If some of your retirement benefits are withheld because of your earnings, your monthly benefit will increase starting at your FRA to take into account those months in which benefits were withheld.

Cost of living numbers for 2024

Earnings requirement to qualify for Social Security and Medicare credits

EMPLOYEE:	SELF-EMPLOYED:
\$1,730	\$6,920
per quarter	per calendar year

Maximum taxable earnings

SOCIAL SECURITY:	MEDICARE:
\$168,600	NO LIMIT

Work and Social Security (earnings test)*

Affects any Social Security benefit received before Full Retirement Age (FRA)

AGE	2024 EARNINGS LIMITS	WITHHOLDING
Under FRA for the full year	\$22,320 (\$1,860 per month)**	\$1 in benefits withheld for every \$2 in earnings above limit
Reach FRA during 2024	\$59,520 (\$4,960 per month)**	\$1 in benefits withheld for every \$3 in earnings above limit

Average and maximum monthly benefits (2024)

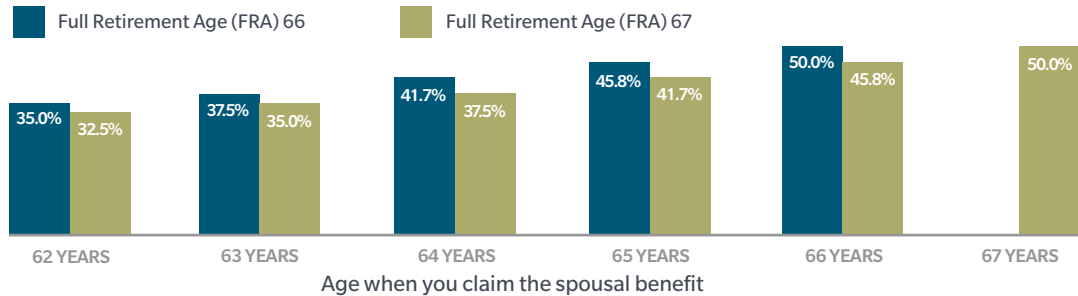
MAXIMUM MONTHLY RETIREMENT BENEFIT AT FRA	AVERAGE MONTHLY BENEFIT FOR RETIRED WORKER	AVERAGE MONTHLY WIDOW(ER) BENEFIT	AVERAGE MONTHLY BENEFIT RETIRED COUPLE, BOTH RECEIVING BENEFITS
\$3,822	\$1,907	\$1,773	\$3,033

* Earnings test applies to any benefit (retirement, spousal, survivors, divorcée) received before FRA. Earnings in or after the month you reach FRA do not count toward the earnings test. If married, Social Security looks at the wages of the spouse receiving Social Security benefit (not their joint income). Social Security only considers wages earned after you start Social Security. Earnings test is based gross wages before contributions to employer sponsored retirement plans, health insurance plans and other deductions that may reduce federal taxes. Dividend, capital gains, rental income, pensions, distributions from IRAs and workplace retirement plans, etc. may not be counted as earned income. Severance pay is counted as earned income. Unemployment benefits are an entitlement benefit and not counted as earned income. Please contact a qualified tax advisor for more information on earned income.

**Special earnings monthly limit may apply the first calendar year. This limits monthly earnings to \$1,860 (\$4,960 if turning FRA in 2024) starting in the month Social Security benefits begin and ending in December (or the month you turn FRA if turning FRA in 2024). If earnings exceed \$1,860 (\$4,960 if turning FRA in 2024) in any remaining month of the calendar year (remaining month until turning FRA if turning FRA in 2024), you won't be entitled to any benefit for that month. In the second year, the SSA applies the annual earnings limit.

Spousal percentages

FRA for **spousal benefits** is age 66 for anyone born from 1943 to 1954. It increases by two months for every year from 1955 to 1959. FRA is age 67 for anyone born 1960 or later.



Spousal benefits key facts

REQUIREMENTS TO RECEIVE A SPOUSAL BENEFIT

- Must be currently married to your spouse for one year (ten years if divorced)
- Your spouse must be receiving their retirement or disability benefit
- Available even if you didn't work

IF BOTH SPOUSES WORKED

- Generally receive greater of your retirement or spousal benefit
- Option to start with spousal and switch to your retirement benefit was only available to people born on or before 1/1/1954

Source: Social Security Administration.

SPOUSAL BENEFIT CALCULATION

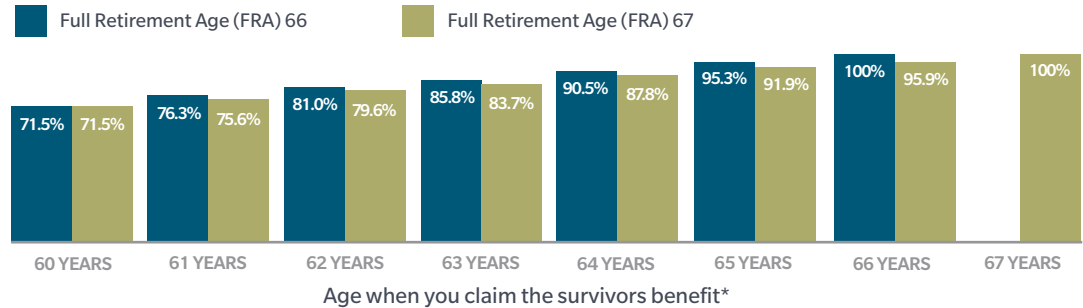
- Amount is based on your spouse's benefit at their FRA (regardless of your spouse's age when your spouse claimed their Social Security benefit)
- Percent is based on your age when you apply

CLAIMING BEFORE FRA

- If your spouse claims before/after FRA it doesn't impact how much you receive as a spousal benefit
- If you claim before FRA, it reduces the total amount you receive after your spouse applies

Survivors percentages

FRA for **survivors benefits** is age 66 for anyone born 1945 to 1956. It increases by two months for every year from 1957 to 1961. FRA is age 67 for anyone born 1962 or later.



Survivors benefits key facts

REQUIREMENTS TO RECEIVE A SURVIVORS BENEFIT

- Must be married to your spouse for nine months (ten years if divorced)
- Must be age 60 or older (50 if you are disabled, see page 20) or have a “child-in-care” (see pages 19 and 20)

SURVIVORS BENEFIT CALCULATION

- Amount is based on benefit deceased spouse was receiving (see page 8 for more information)
- Percent is based on how old you are when you apply for the survivors benefit

EVENTS BEFORE FRA

- If you claimed your retirement or spousal benefit before FRA, you are still eligible for the maximum survivors benefit
- If the deceased passed away before FRA without claiming, the survivors benefit is based on what the deceased would have received at their FRA**
- If widow is between ages 60 and 70, widow may be eligible to start with one benefit and switch to the other (see page 8)
- The earnings test affects any benefit received before FRA

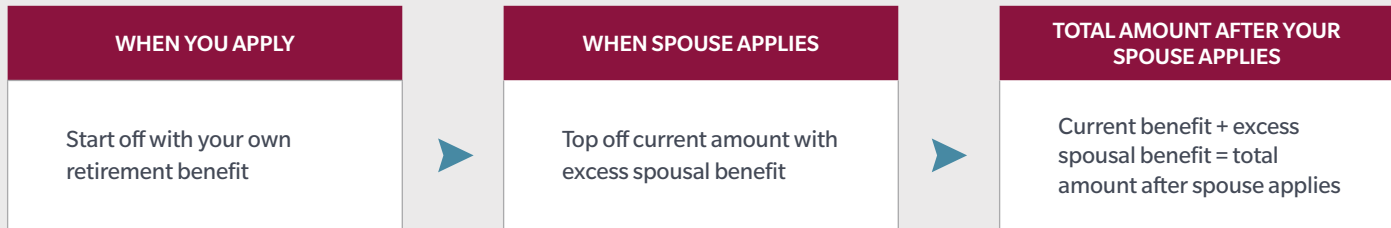
* If the deceased claimed before their FRA, there is a special calculation for the surviving spouse called the widow(er) limit. See page 8.

** If deceased was receiving disability benefits, survivor benefit is based on what deceased was receiving.

Coordinating spousal and retirement benefits*

HAS YOUR SPOUSE APPLIED FOR THEIR RETIREMENT BENEFIT?	
YES	<ul style="list-style-type: none"> You receive the greater of your retirement or the spousal benefit
NO	<ul style="list-style-type: none"> Start with your retirement benefit When your spouse applies: Top off existing amount with excess spousal benefit.

Lower earner applies first



Excess spousal benefit

Excess spousal benefit**



Maximum spousal benefit at your FRA



Your retirement benefit at FRA

* Option to start with the spousal and switch to your retirement benefit was only available to people born on or before 1/1/1954.

** Excess spousal benefit is further reduced if you are under FRA when your spouse applies for their Social Security retirement benefit.

Deceased claimed before passing*

Deceased claimed before Full Retirement Age (FRA)

Widow(er) limit may apply

Deceased claimed at or after Full Retirement Age

Widow(er) benefit based on amount deceased was receiving at death**

Deceased did not claim before passing

Deceased passed away before Full Retirement Age (FRA)

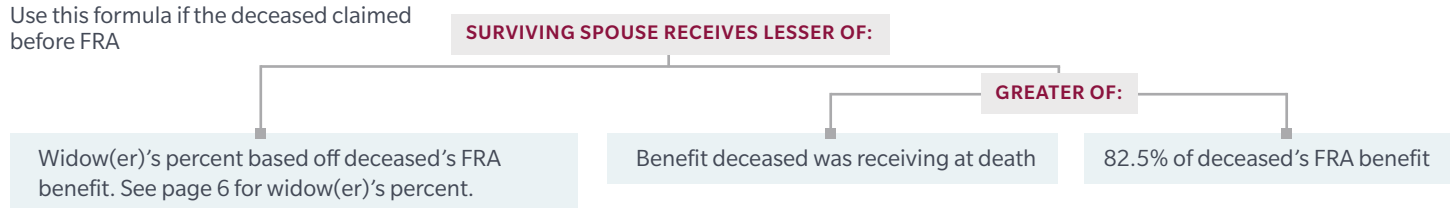
Widow(er) benefit based on deceased's retirement benefit at FRA**

Deceased passed away at or after Full Retirement Age

Widow(er) benefit based on deceased's retirement benefit at FRA plus any credits**

Widow(er) limit

Use this formula if the deceased claimed before FRA

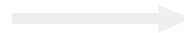


Widow(er) switch-up options

OPTION

1

Start with reduced survivors benefit as early as age 60



Switch to retirement benefit at any time between ages 62 and 70

OPTION

2

Start with reduced retirement benefit as early as age 62



Switch to survivors benefit at any time

* If the deceased was receiving disability benefits, the survivor percent is based on the deceased's disability benefit.

** Adjusted for survivor's age at time of filing for survivors benefit.

Earnings limit applies to any benefit received before FRA.

Source: Social Security Administration.

Length-of-marriage requirements

SPOUSAL BENEFIT

- One continuous year just before filing for benefits

SURVIVORS BENEFIT

- At least the nine months before the worker dies

DIVORCED BENEFIT

- 10 continuous years

CHILD-IN-CARE BENEFIT

- No length-of-marriage requirements

Key facts comparison (for married couples and divorcees)

MAXIMUM PERCENT

- Spousal: 50% of your spouse's Full Retirement Age (FRA) benefit
- Survivors: 100% of the deceased's benefit*

AMOUNT BASED ON

- Spousal: Your spouse's FRA benefit
- Survivors: Your spouse's benefit at death (if they died before claiming; based on the greater of their FRA benefit or what they would have been entitled to at death)

IF YOU CLAIM YOUR RETIREMENT BENEFIT BEFORE FRA**

- Spousal: reduces your spousal and retirement benefit***
- Survivors: no impact; percent is based on your age when you claim the survivors benefit

IF YOUR SPOUSE CLAIMS THEIR BENEFIT BEFORE FRA

- Spousal: no impact because the spousal benefit is based on your spouse's FRA benefit
- Survivors: reduces survivors benefit because survivors benefit is based on when the deceased claimed

*See page 8 if deceased claimed before FRA.

Source: Social Security Administration.

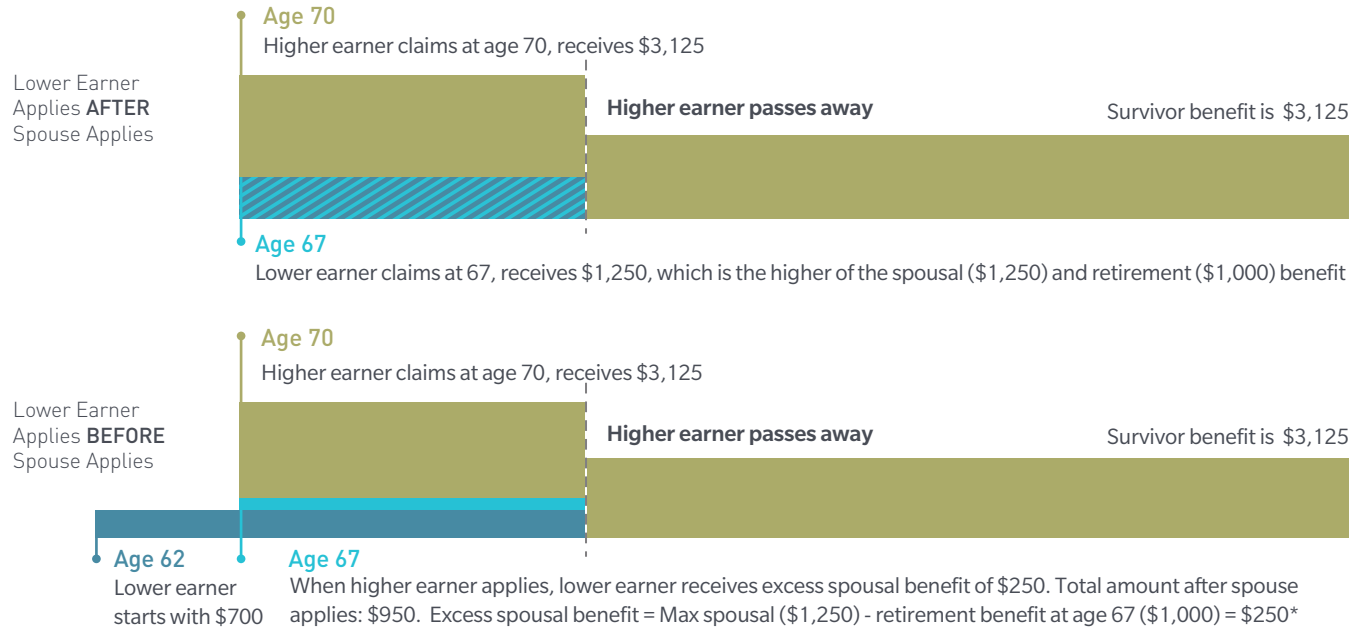
** Earnings test applies to any benefit received before FRA.

*** Spousal is the benefit you receive off your spouse while your spouse is alive. Receiving a benefit off your spouse will not reduce your spouse's benefit.

Spousal and survivor case study

ASSUMPTIONS

- Both spouses worked and paid into Social Security. FRA for both is age 67.
- Lower-earning spouse is 3 years younger than higher-earning spouse
- Higher earner benefit at age 67 is \$2,500, at age 70 is \$3,125
- Lower earner benefit at age 67 is \$1,000, at age 62 is \$700



For illustrative purposes only. Assumes no inflation. Please contact the Social Security Administration for the most accurate information.

*Excess spousal may be reduced if lower earner is under FRA when their spouse applies.

Requirements to receive a divorcee benefit

	SPOUSAL	SURVIVORS
Minimum age for benefit	62 or older	60 or older (50 if you are disabled)
Percent	32.5%–50% of ex-spouse’s Full Retirement Age (FRA) benefit	71.5%–100% of deceased’s benefit
Length of marriage	10 consecutive years	10 consecutive years
Your current marital status	Unmarried	Unmarried or remarried after age 60
Your former spouse	Former spouse must be age 62 or disabled Former spouse does not need to apply for a retirement benefit (unless divorce was less than two years ago)*	Former spouse must qualify for retirement or disability benefits
If both spouses worked	Generally receive greater of your retirement or spousal benefit	Receive greater of your retirement or deceased’s retirement benefit
Switching benefits	N/A. When you apply you will receive the higher of your own benefit or the spousal off your ex.** The option to start with spousal and switch to your retirement benefit was only available if you were born on or before 1/1/1954.	Start with reduced survivors, switch to retirement Or, start with reduced retirement, switch to full survivors

Earnings limit applies to any benefit received before FRA.

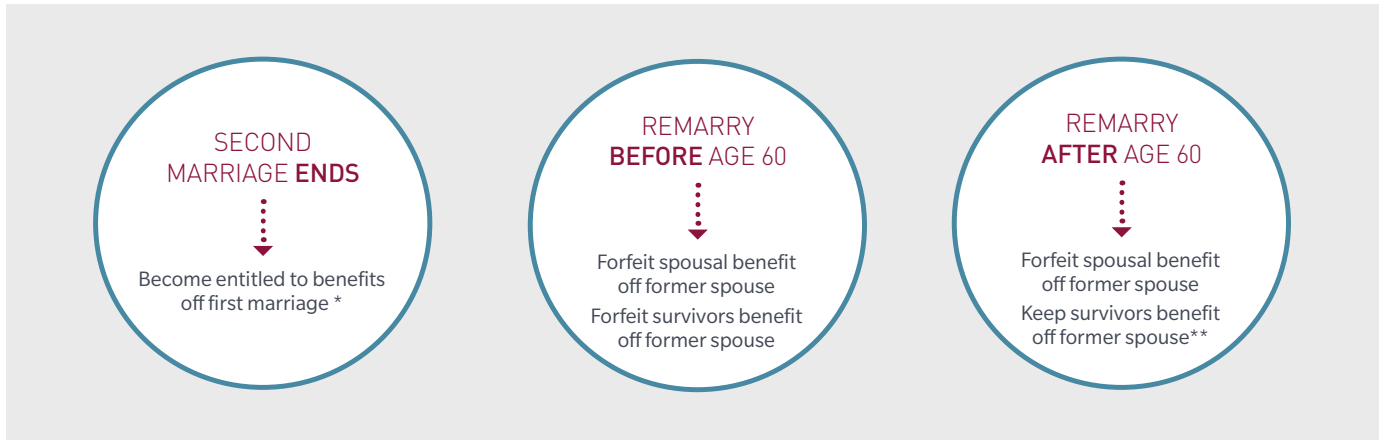
* If divorce was less than two years ago, former spouse needs to apply in order for you to receive a spousal benefit.

** If your ex is not 62 when you apply, you will receive your retirement benefit. When ex-spouse turns 62 you may request an excess spousal benefit if available.

Source: Social Security Administration.

Remarriage (applicable for divorcees and widow(er)s)

- **If your former spouse remarries**, it does not affect your divorcee benefits.
- **If you remarry you usually forfeit benefit off the first marriage.** Two exceptions:
 - **Second marriage ends** (through divorce, annulment or death): you may become re-entitled to benefits off the first marriage*
 - **You remarry after 60:** forfeit spousal benefit off first spouse, but retain the survivors benefit off them



* If first marriage ended due to divorce, assumes marriage lasted ten consecutive years before divorce. If first marriage ended due to death of spouse, the marriage must have been in existence for nine months before the death of the spouse.

** Receive greater of spousal/survivors benefit of current spouse, your retirement benefit or survivors benefit of former spouse.

Windfall Elimination Provision and Government Pension Offset

	WINDFALL ELIMINATION PROVISION (WEP)	GOVERNMENT PENSION OFFSET (GPO)
Who it affects	You received a pension from a position that didn't pay into Social Security (including certain foreign pensions) and Social Security benefits	You worked in a federal, state or local government position that didn't pay into Social Security; your spouse worked in the private sector.
What it may reduce	Your retirement or disability benefit Spousal benefit based off of you	Reduce Social Security spousal/survivors benefits off your spouse by two-thirds of your government pension
Maximum reduction	\$587.00 per month if you turn age 62 in 2024 Reduction cannot exceed 50% of the amount of the pension received from noncovered employment	May fully or partially eliminate Social Security spousal and survivors benefit
Exceptions	Survivors benefit off you is not reduced Eliminated if you have 30 years of substantial earnings (see page 14)	Last 60 months of government employment covered by both Social Security and the pension plan that provides your government pension*

You are subject to WEP and GPO even if you take a lump sum. In this case, the lump sum will be prorated to determine the monthly pension amount.

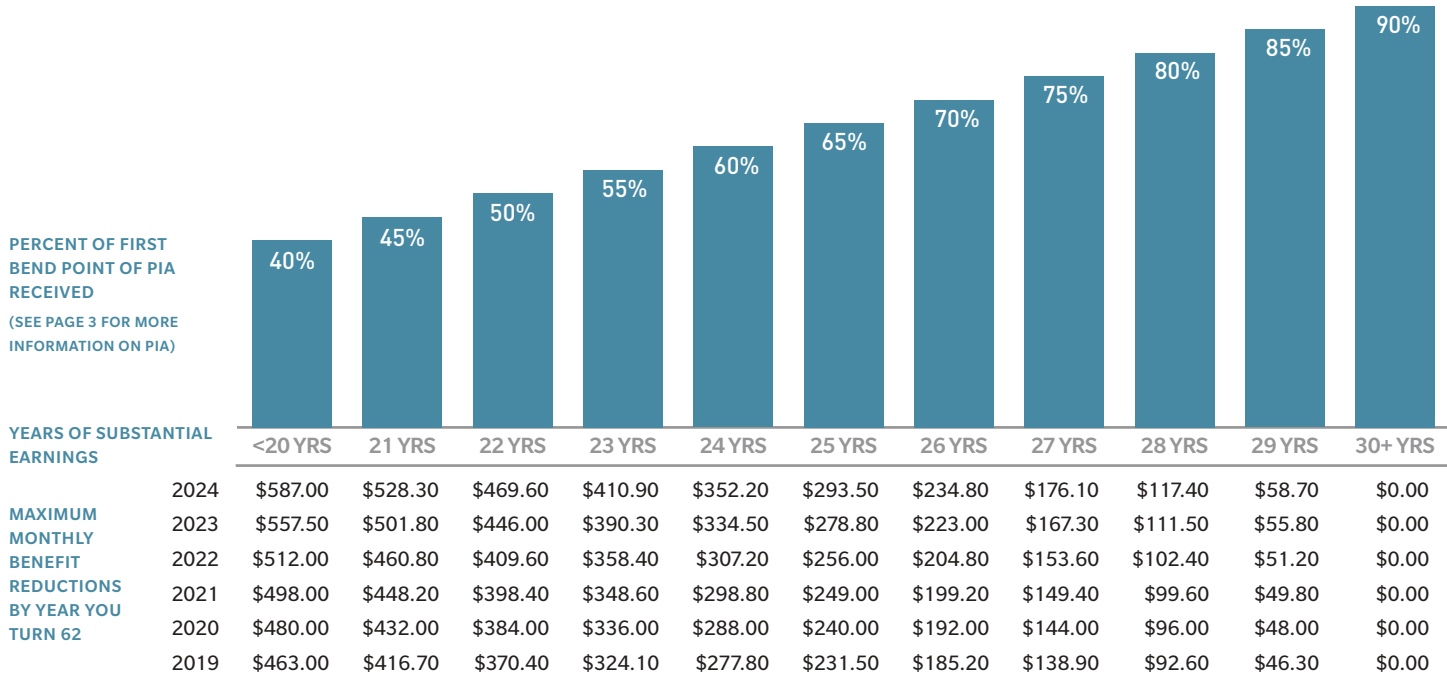
WEP and GPO only limits the amount that can be paid to the spouse who has non-covered employment. The spouse with covered employment under Social Security is not affected by WEP and GPO.

WEP does not apply to benefits from foreign Social Security systems that are based on a "totalization" agreement with the United States.

*If at any time during the last 60 months of government service, you worked in non-covered employment under the retirement system that provides the pension, the spousal/survivor benefit will be subject to GPO even if you concurrently worked in another position with the same employer covered by Social Security.

Source: Social Security Administration.

Windfall Elimination Provision Adjustment Based on Years of Substantial Earnings*



* Substantial earnings for selected years are \$31,275 (2024), \$29,700 (2023), \$27,300 (2022), \$26,550 (2021), \$25,575 (2020), \$22,050 (2015), \$19,800 (2010), \$16,725 (2005), \$14,175 (2000), \$11,325 (1995), \$9,525 (1990), \$7,425 (1985), \$5,100 (1980). See Social Security Publication "Windfall Elimination Provision" for more details.

Federal retirement plans

	CIVIL SERVICE RETIREMENT SYSTEM (CSRS)	CIVIL SERVICE RETIREMENT SYSTEM (CSRS) OFFSET	FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)
Date of hire	Hired prior to 01/01/1984 Or rehired after a break in service of less than one year from CSRS	Rehired after a break in service of more than one year and with at least five years of creditable civilian service by 01/01/1987	Hired on or after 01/01/1984 Or rehired after a break in service greater than one year but with less than five years of creditable CSRS civilian service Or transferred to FERS from CSRS
Subject to WEP and/or GPO*	WEP and GPO	WEP	Neither**
Social Security coverage	No	Yes. CSRS annuity computed under same rules as other CSRS retirees. When eligible for Social Security benefits (usually at age 62), CSRS annuity is offset by value of Social Security benefit earned during CSRS Offset service.	Yes. For certain FERS employees who retire and are entitled to immediate annuity before age 62, OPM pays “retiree annuity supplement” that substitutes for Social Security part of FERS. It is paid only until age 62, regardless of when retiree applies for Social Security.

*See Page 13 for additional details on WEP and GPO.

** WEP: If an annuity based on CSRS service was transferred to FERS, WEP rules may apply to that portion. GPO: Must have elected to transfer to the FERS before 01/01/1988 or during belated transfer period ending 06/30/1988. Employees covered by CSRS and who elected FERS coverage after 06/30/1988 must have five years of federal employment covered by Social Security to be exempt from the offset.

Source: Office of Personnel Management.

Military and railroad retirement plans

MILITARY

RETIREMENT

Military pension does not affect Social Security benefits. Social Security benefits based on your earnings.

CREDIT FOR MILITARY SERVICE

Since 1957, active duty (including active duty for training) covered under Social Security.

Since 1988, inactive duty covered under Social Security.

From 1957 through 2001, special earnings credits granted for periods of active duty or active duty for training. If active duty was after 1967, extra earnings already on your record.

Additional earnings are credited to the earnings that are averaged over your working lifetime, not directly to your monthly benefit amount.

SURVIVORS BENEFITS

Social Security Survivors benefits may affect benefits payable under optional Department of Defense Survivors Benefit Plan. Check with Department of Defense or military retirement advisor for more information.

RAILROAD RETIREMENT BENEFITS

RETIREMENT

Tier 1: Based on earnings an employee acquired under both railroad and Social Security–covered employment; uses Social Security formula but with railroad age and service requirements*

Tier 2: Based on railroad earnings; similar in concept to defined benefit plan

SPOUSAL

Tier 1: Spouse receives up to 50% of retiree’s Tier 1 basic benefit.**

Tier 2: Spouse receives up to 45% of employee’s Tier 2 basic benefit.

SURVIVOR

Tier 1: Survivor receives up to 100% of deceased’s Tier 1 benefit.**

Tier 2: Survivor may receive percent of deceased’s Tier 2 amount.

* Tier 1 benefits reduced by amount of any Social Security benefit paid on the basis of non-railroad employment. Tier 1 benefits also reduced for any Social Security benefit an employee receives that is based on earnings of their spouse.

** Tier 1 portion of spouse or survivor annuity is reduced for any Social Security benefit, even if Social Security benefit is based on spouse’s or survivor’s own earnings. Tier 1 portion of spouse or survivor annuity may also be reduced for receipt of federal, state or local government pension based on spouse’s or survivor’s earnings.

Earnings requirement for disability

In general, to receive disability benefits, you must meet two different earnings tests:

- 1) recent work test
- 2) duration of work test

Recent work test

Test based on your age at the time you became disabled

■ DISABLED BEFORE AGE 24

1.5 years of work required during the three-year period ending with the quarter that disability began

■ DISABLED BETWEEN AGES 24 AND 31

Work required during half the time for period beginning with quarter after turning 21 and ending with quarter that disability began

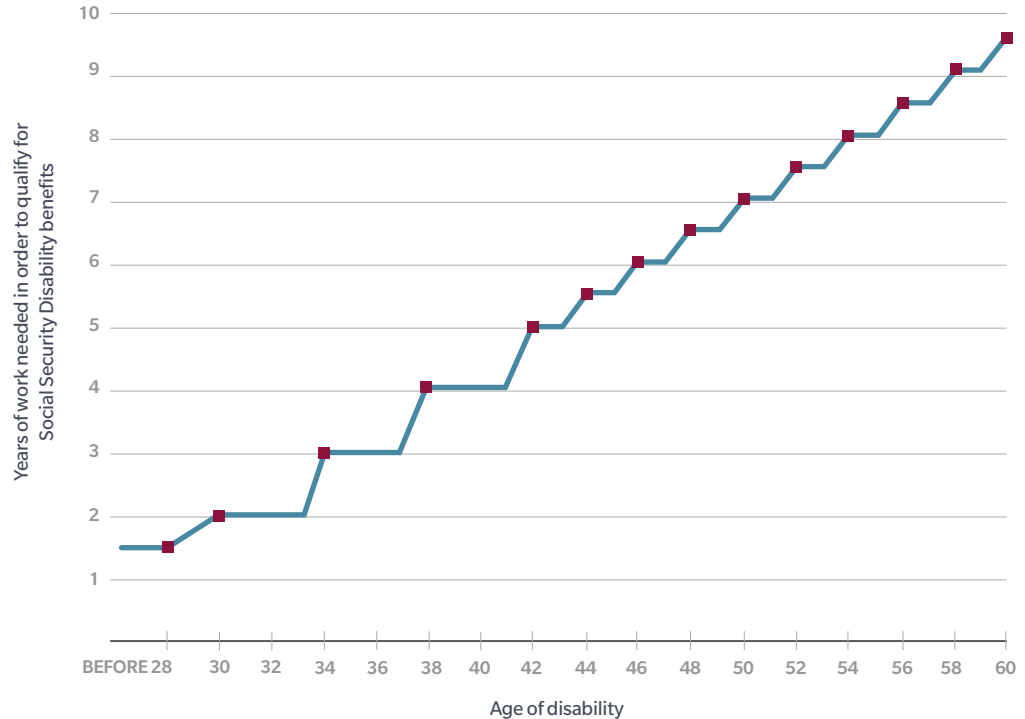
■ DISABLED AT AGE 31 OR AFTER

Work 5 years out of the 10-year period ending with the quarter that disability began

Source: Social Security Administration.

Duration of work test for disability benefits

Test that you worked long enough under Social Security



Social Security Disability Insurance (SSDI) vs. Supplemental Social Insurance (SSI)

	SOCIAL SECURITY DISABILITY INSURANCE (SSDI)	SUPPLEMENTAL SOCIAL INSURANCE (SSI)
Qualifications	Based on recent work history*	Must have limited income and resources
Full Retirement Age	At FRA, amount does not change Funding switches from disability trust funds to retirement trust funds	Assuming assets, income and life circumstances do not change, dollar amount will not change
Dependents' eligibility	May entitle children and spouse to Social Security benefits	Does not entitle children and spouse to Social Security benefits
Health insurance	Medicare after two years of disability	Medicaid
Survivors benefit	Based on deceased's disability benefit	Not available
Monthly earned income limits**	<p>Trial Work Period Unlimited earnings for 9 months. Months need to be within a 60 month window. Trial work month is any month where total earnings are over \$1,110 in 2024</p> <p>Extended Period of Eligibility 36 consecutive months after Trial Work Period. Can still receive benefits for any month recipient is unable to engage in Substantial Gainful Activity (SGA) = \$1,550 (\$2,590 for statutorily blind individuals)</p> <ul style="list-style-type: none"> ■ If over SGA: no cash benefits for that month ■ If under SGA: full cash benefits for that month 	<p>Assuming income is only SSI and the money you make from your job: SSA doesn't count the first \$85 of monthly gross earnings SSI benefits reduced 50 cents for every earned dollar over \$85</p> <p>Student Earned Income Exclusion A blind or disabled child, who is a student regularly attending school, college, or university, or a course of vocational/technical training, can have limited earnings not count against SSI benefits. Max income that may be excluded: \$2,290 per month, \$9,230 in all of 2024.</p> <p>**For information on working and receiving benefits while disabled see Social Security Publication No. 05-10095 "Working While Disabled: How We Can Help". MFS® does not provide advice on Social Security disability or SSI benefits.</p>

Source: Social Security Administration * Withdrawals from IRAs, brokerage accounts and other assets will not affect eligibility for SSDI benefits.

Eligibility for family benefits

QUALIFYING EVENT	CHILDREN QUALIFICATION	CHILD-IN-CARE SPOUSE / WIDOW(ER) QUALIFICATIONS*
<ul style="list-style-type: none"> ■ Disablement ■ Retirement ■ Death 	<ul style="list-style-type: none"> ■ Unmarried ■ Younger than age 18 ■ Or 18 to 19 years old and a full-time student (no higher than grade 12) ■ Or 18 or older and disabled (disability must have started before age 22) 	<ul style="list-style-type: none"> ■ Caring for child who is under age 16 or disabled ■ Benefits end if child-in-care spouse/widow(er) remarries

Maximum family benefits*

	CHILDREN'S BENEFIT	CHILD-IN-CARE SPOUSAL / WIDOW(ER) BENEFIT	FAMILY MAXIMUM
If parent is disabled	Up to 50% of disability benefit	Up to 50% of disability benefit	100%–150% of worker's PIA
If parent is retired	Up to 50% of full retirement benefit	Up to 50% of full retirement benefit	150%–180% of worker's PIA
If parent is deceased	Up to 75% of deceased parent's basic Social Security benefit	Up to 75% of deceased parent's basic Social Security benefit	150%–180% of worker's PIA

IF TOTAL AMOUNT PAYABLE TO ALL FAMILY MEMBERS EXCEEDS FAMILY MAXIMUM LIMIT, EACH PERSON'S BENEFIT IS REDUCED PROPORTIONATELY (EXCEPT RETIRED/DISABLED PARENT'S BENEFIT) UNTIL TOTAL EQUALS FAMILY MAXIMUM.

*Earnings test applies to any benefit received before FRA. If you receive retirement benefits, your excess earnings are charged against the total monthly family benefit. This reduces the total family benefit.

Sources: Social Security Bulletin, Social Security Handbook, Social Security Administration.

Widow(er) comparison: Aged, child-in-care and disabled widow(er)

	AGED WIDOW(ER)	CHILD-IN-CARE WIDOW(ER)	DISABLED WIDOW(ER)
Definition	Age 60 or older Worker died fully insured	Has a child in care under 16 or disabled Worker died fully or currently insured*	Age 50–59 and disabled Worker died fully insured
Marital status	Unmarried or remarried after age 60 If divorced, marriage lasted 10+ years	Unmarried If divorced, marriage does not need to equal or exceed ten years	Unmarried Or remarried after age 50 and after onset of disability If divorced, marriage lasted 10+ years
Maximum benefit	100% of deceased's benefit	75% of deceased's benefit at FRA	71.5% of deceased's benefit at FRA
Factors that may affect benefit amount	Earnings test Reduced if widow(er) claims before FRA Widow(er) limit may apply if deceased claimed before FRA Increased if deceased claimed after FRA	Earnings test Family maximum (150%–187.5% of deceased's benefit at FRA)	Earnings test

Earnings limit applies to any benefit received before FRA.

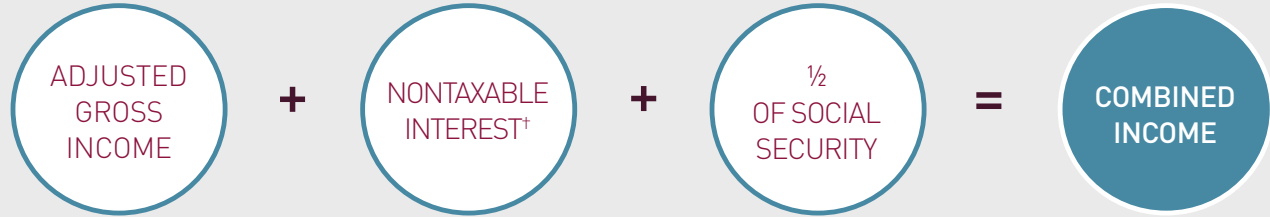
* Currently insured: deceased earned at least six credits during the three years prior to death. Fully insured: You need at least one quarter of coverage for each calendar year after you turned 21 and the earliest of the following: the year before you attain age 62, the year before you die or the year before you become disabled. When you have earned 40 quarters of coverage, you are permanently (and fully) insured.

Determining the taxable portion of Social Security

	SINGLE	MARRIED FILING JOINTLY
Social Security benefits not included in income	< \$25,000 of combined income	< \$32,000 of combined income
Up to 50% of Social Security benefits included in income and taxed	\$25,000–\$34,000 of combined income	\$32,000–\$44,000 of combined income
Up to 85% of Social Security benefits included in income and taxed	> \$34,000 of combined income	> \$44,000 of combined income

Sources: IRS.gov, Social Security Administration.

Combined income



WHAT COMBINED INCOME DOES NOT INCLUDE

- Roth IRA and Roth 401(k)/403(b)
- Life insurance proceeds
- Qualified charitable distributions
- Inheritance and gifts
- Nontaxable portion of pensions and annuities
- HSA withdrawals for qualified medical expenses

FICA taxes*

	EMPLOYEE	EMPLOYER	TOTAL
Social Security	6.20%	6.20%	12.40%
Medicare	1.45%**	1.45%**	2.90%**
Total	7.65%**	7.65%**	15.30%**

† Examples may include municipal bond income, income from savings bonds to pay for higher education and deductions for qualified educational loans. This is not an all-encompassing list.

* FICA is based on gross wages before contributions to employer sponsored retirement plans, health insurance plans and other deductions that may reduce federal taxes.

** Does not include Additional Medicare Tax of .9% on earnings over \$200,000 (\$250,000 for married couples filing jointly).

Sources: IRS.gov, Social Security Administration.

Medicare taxes on earnings

Earnings thresholds	EMPLOYEE	EMPLOYER	TOTAL
Single < \$200,000 Married filing jointly < \$250,000 Married filing separately < \$125,000	1.45% on earnings < threshold	1.45% on earnings < threshold	2.9% on earnings < threshold
Single > \$200,000 Married filing jointly > \$250,000 Married filing separately > \$125,000	2.35% on earnings > threshold	1.45% on earnings > threshold	3.8% on earnings > threshold

Medicare, Social Security and HSA nuances

Medicare and Social Security

Cannot refuse Medicare Part A if age 65 and receiving Social Security

Medicare and HSA

Cannot make contributions to HSA if receiving Medicare

Medicare and Hold Harmless

Social Security payments not reduced if Part B premium increases

EXCEPTIONS:

- New enrollees to Medicare Part B
- Modified Adjusted Gross Income (MAGI) > \$103,000 single (\$206,000 married filing jointly)
- Not receiving Social Security benefits
- Part D premiums may increase regardless of income

Sources: Medicare, IRS.gov, Social Security Administration.

Medicare Parts A and B

What Medicare Part A Covers

- In-Person Hospital Care
- Skilled Nursing Facility
- In-Patient Nursing Care (Not Long-Term or Custodial Care)*
- Some Home Health Care and Hospice
- Large Network

What Medicare Part B Covers

- Preventative Services
- Emergency Room Visits/Urgent Care
- Durable Medical Equipment
- Mental Health (In-Patient/Out-Patient/Partial Hospitalization)**
- Limited Out-Patient Prescription Drugs
- Clinical Research



HOW TO QUALIFY

- Have Paid Medicare Taxes for 40 Quarters or Have a Spouse Who Has
- Age 65 or Older
- Qualify for Social Security Disability Insurance (SSDI)
- End-Stage Renal Disease/ALS

Source: Medicare.gov.

*Medicare may cover only some of the costs of skilled nursing care provided in a skilled nursing facility for up to 100 days provided you have days left in a benefit period, it follows a qualifying hospital stay and your doctor has decided you need daily skilled care.

**Mental Health care has both Part A and B components.

Medicare Parts B and D premiums for 2024

Individual Tax Return in 2022	Joint Tax Return in 2022	MONTHLY PART B PREMIUM PER PERSON	MONTHLY PART D PREMIUM PER PERSON
< \$103,000	< \$206,000	\$174.70	Plan premium
\$103,001–\$129,000	\$206,001–\$258,000	\$244.60	\$12.90 + plan premium
\$129,001–\$161,000	\$258,001–\$322,000	\$349.40	\$33.30 + plan premium
\$161,001–\$193,000	\$322,001–\$386,000	\$454.20	\$53.80 + plan premium
\$193,001–\$499,999	\$386,001–\$749,999	\$559.00	\$74.20 + plan premium
\$500,000+	\$750,000+	\$594.00	\$81.00 + plan premium

PREMIUMS BASED ON MAGI FROM TWO YEARS AGO

Medicare premiums are based on your Modified Adjusted Gross Income (MAGI) from two years prior. The MAGI used to calculate Medicare premiums is the sum of your adjusted gross income (AGI) (found on line 11 of the Internal Revenue Service (IRS) tax filing form 1040) plus tax-exempt interest income (line 2a of IRS Form 1040).

Sources: Medicare.gov, Social Security Administration.

Four phases for Medicare Part D

PHASE

1

YEARLY
DEDUCTIBLE
PHASE

PHASE

2

COPAYMENT/
COINSURANCE
PHASE

PHASE

3

COVERAGE
GAP

Once you and your plan
spend \$5,030, pay no
more than 25% of cost of
prescription drugs

PHASE

4

CATASTROPHIC
COVERAGE

Spend more than \$8,000 in
total covered drug costs,
No coinsurance or copays
For covered medications

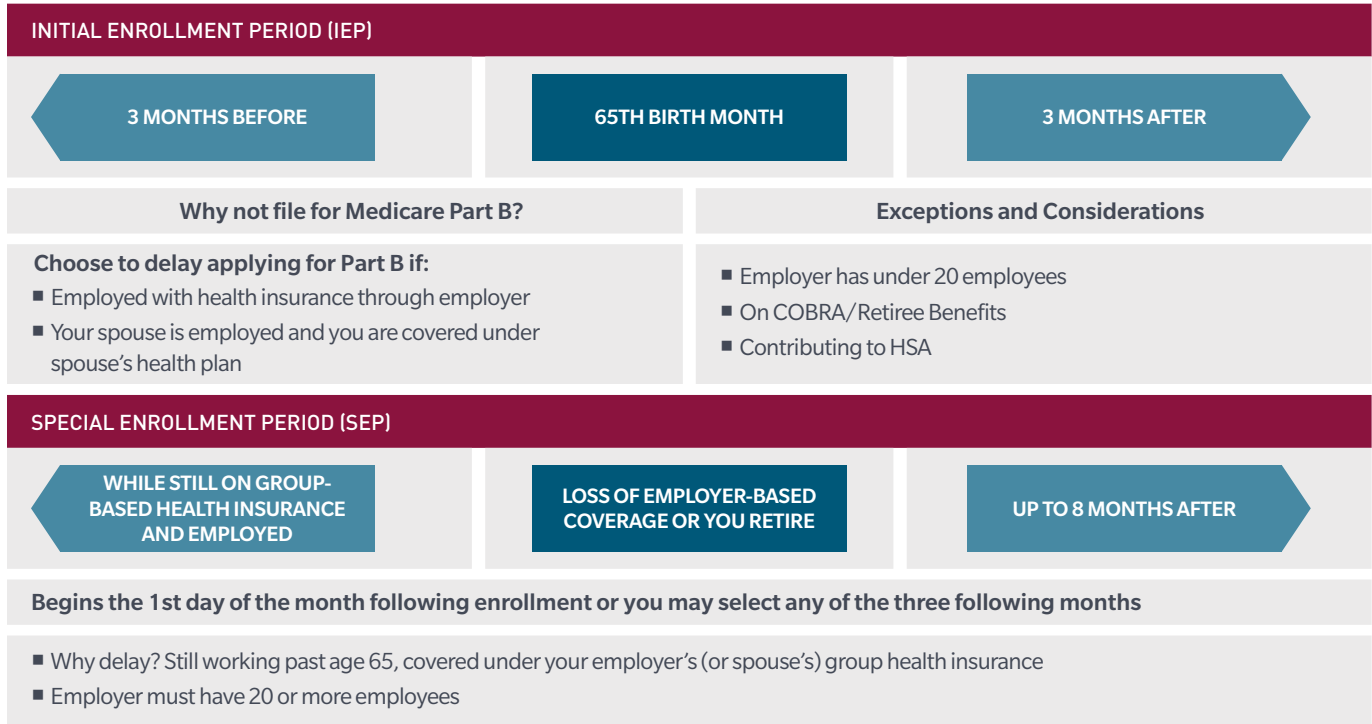
Your yearly Part D out-of-pocket costs will be capped at \$2,000, starting in 2025 (www.medicare.gov/about-us/prescription-drug-law).
Source: Medicare.gov.

Differences between Medicare Advantage and Supplement Plans

	MEDICARE ADVANTAGE (PART C) PLANS	MEDICARE SUPPLEMENT (MEDI GAP) PLANS
Costs	May not have a monthly premium aside from your Part B premium. Pay deductible, copay, coinsurance for health care received	Additional monthly premium along with your Part B premium
Prescription Drug Coverage	Included in most plans	Not included
Doctors and Hospitals	Utilize doctors and hospitals within the plan network	Choice of doctors and hospitals
Referrals	May need referrals to see specialists	Can meet with specialists without a referral
Network	Generally restricted to in-network	No restrictions/nationwide coverage
Enrolling	Restricted to certain enrollment periods	Apply after you turn age 65 and enroll in Medicare Part B

Source: Medicare.gov.

Initial and Special Enrollment Periods



Automatically enrolled if taking Social Security benefits.
 Source: Medicare.gov.

This is not meant to be a comprehensive guide. For informational use only. Each person's situation is different. For help determining what role Medicare will play in your financial future, work closely with your financial advisor, or investment professional and local Medicare specialist. They will provide the perspective you need to help you build and maintain a retirement strategy that may work best for you. MFS® does not provide tax, legal, accounting, Medicare or Social Security advice. Contact the Social Security Administration at 1-800-772-1213 or [ssa.gov](https://www.ssa.gov) to determine the benefits that may be available to you and your spouse. For more information and answers to your questions about Medicare visit [medicare.gov](https://www.medicare.gov).