

## Table of Contents

<b>Introduction .....</b>	<b>1</b>
Social Security for 2014.....	1
COLA in 2014.....	1
Other key Social Security amounts.....	1
<b>Calculating benefits .....</b>	<b>2</b>
Earning of credits.....	3
Average wage index.....	3
Average indexed monthly earnings.....	4
Primary insurance amount (PIA).....	4
The ballpark calculation.....	5
Calculators available.....	5
When to start drawing benefits.....	5
Full retirement age (FRA).....	6
Early retirement.....	6
Social Security benefits calculator.....	6
Late retirement.....	8
Break-even ages.....	8
Needing the money now.....	8
Taking benefits – investing and paying tax on them.....	9
<b>Working while drawing benefits.....</b>	<b>9</b>
What is earned income?.....	10
Self-employed benefits recipients.....	10
Special rule for first year of retirement.....	11
Special payments that don't affect benefits.....	12
Benefits readjusted.....	12
<b>Reduced benefits for recipients of government pensions .....</b>	<b>12</b>
Windfall elimination provision.....	13
Government pension offset.....	16
<b>The effect of marital status.....</b>	<b>16</b>
Did you know?.....	16
Currently married.....	16
Widow(er).....	17
Divorced spouses.....	18
Former spouse still working.....	18
Multiple spouses drawing from one person's account.....	18
Same-sex spouses.....	19
Benefit recomputation.....	20
Remarriage after age 60.....	20

Maximize benefits by comparing both spouses' accounts .....	21
Claim and suspend .....	21
Foreign spouses .....	22
Medicare .....	22
Other considerations.....	23
<b>Benefits for children under 19.....</b>	<b>24</b>
Which children qualify? .....	24
Family limits .....	24
Representative payees .....	24
Fee for services as a representative payee .....	25
Meeting the child's needs.....	25
Keeping records and reporting use of benefits.....	25
SSA may ask for the money back.....	26
<b>Repaying benefits.....</b>	<b>26</b>
SSA changes rules on benefits application withdrawals .....	26
Background.....	27
How to make the request .....	27
Suspending benefits.....	27
Planning for upper income individuals (old rules).....	28
SSA's ruling.....	28
<b>Military benefits .....</b>	<b>28</b>
Special extra earnings.....	29
Military and other benefits .....	29
<b>Survivors benefits.....</b>	<b>29</b>
Who is eligible?.....	29
Widow(er) .....	29
Children.....	29
Parents .....	30
Divorced spouses .....	30
Limitations .....	30
One-time death payment .....	30
<b>Social Security disability benefits.....</b>	<b>30</b>
Who qualifies? .....	30
When do payments start? .....	32
The amount of the payment.....	32
Disability beneficiaries' earnings limits .....	32
Medical condition .....	33
Defrauding the SSA .....	33
Already age 62? .....	34
Appeals and review processes .....	34

Medicare .....	34
Social Security disability payments subject to offset.....	35
How it works .....	35
Computation of reduction.....	35
Ages 62 and over .....	35
<b>Social Security and household employees.....</b>	<b>36</b>
Reporting requirements .....	36
IRS.....	36
EDD.....	37
SSA .....	37
<b>SSA stops mailing benefits statements as Treasury phases out paper checks.....</b>	<b>37</b>
Review the statement.....	38
How payments are received .....	38
<b>Taxation of Social Security benefits.....</b>	<b>39</b>
Base amount.....	39
Adjusted base amount.....	40
Who is taxed?.....	40
Retroactive benefits.....	40
Special rules for U.S. citizens living abroad and nonresident aliens .....	40
Tax treatment of repayments.....	42
Medicare surcharge for High-income individuals .....	43
Part D subject to surcharge .....	43
Appealing the surcharge .....	43
2014 Medicare Parts B and D Premium Surcharge.....	44
<b>Tax planning for Social Security benefits.....</b>	<b>44</b>
Optional method .....	44
Why do it? .....	45
Eligibility to use the optional method .....	45
<b>Future of Social Security.....</b>	<b>45</b>
<b>Medicare insurance options-overview.....</b>	<b>46</b>
<b>Shared eligibiltiy .....</b>	<b>49</b>
Part B standard premium.....	49
Deducting premiums from Social Security payments .....	49
Not yet collecting Social Security .....	49
Premium assistance.....	50
<b>Information and assistance .....</b>	<b>50</b>