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The Social Security Standard

What You Can Teach Your Grandchild



One of the greatest gifts you can give a grandchild is the gift of financial literacy. Helping them save money early in life and showing them how to make wise spending decisions goes a long way toward a bright financial future. As they get older, they may want to save for special purchases or their college education. You can encourage them when they get their first job to begin saving for the future, including their retirement.

Planning for the Future with *my Social Security*

When you celebrate their graduation from high school, you can also remind them to set up a *my Social Security* account. They need to be age 18 or older, have a U. S. mailing address and a valid email address, and have a

about Social Security

Social Security number. And while their retirement is many years away, you can explain the importance of reviewing their earnings record each year since Social Security uses the record of earnings to compute their future benefits. As they start their first major job and begin saving, they'll be able to monitor the growth of the estimates of benefits available to them. You can access *my Social Security* at www.socialsecurity.gov/myaccount.

Saving For Retirement with *myRA*

The U. S. Treasury recently introduced a retirement savings account for a simple, safe, and affordable way to save for retirement. It's perfect for people whose employer doesn't offer a savings plan. There are no costs or fees to open and maintain a *myRA* account. The account won't lose money and is backed by the U. S. Treasury. The individual chooses the amount to save. The account is portable and moves with them from job to job. The account owner can withdraw the money

they put in without tax or penalty. You can learn more about *myRA* at www.myra.gov.

Share How Social Security Works

You can share your knowledge about Social Security with your young savers by explaining how the program works and how it has worked for you. About 96 percent of all Americans are covered by Social Security. Social Security is financed through workers' contributions, which are matched by their employers. We use the contributions to pay current benefits. Any unused money goes into a trust fund. Nearly all working people pay Social Security taxes and about 61 million people receive monthly Social Security benefits. About 42 million of those beneficiaries are retirees and their families. Encourage them to watch our Social Security 101 video at www.socialsecurity.gov/multimedia/webinars/social_security_101.html.

Share Your Retirement Stories

Social Security replaces about 40 percent of an average worker's income, but financial planners suggest that most retirees need about 70 percent to live comfortably in retirement. Americans need more than Social Security to achieve that comfortable retirement. They need private pensions, savings, and investments. That means starting to save early and monitoring your Social Security record for accuracy. You can share lessons from your own life about saving and planning for retirement. Remember, the best place anyone of any age can visit for quick, easy information about Social Security is www.socialsecurity.gov.

Your personal stories about how you prepared for retirement and what role Social Security plays can help them see what is needed for a secure financial future. Give them the gift of financial literacy today.

HONORING OUR HEROES ON MEMORIAL DAY



On Memorial Day, we honor the soldiers and service members who have given their

lives for our nation. Social Security respects the heroism and courage of our military service members, and we remember those who have given their lives in defense of freedom. Part of how we honor service members is the way we provide Social Security benefits.

The unexpected loss of a family member is a difficult experience for anyone. Social Security helps by providing benefits to protect service members' dependents. Widows, widowers, and their dependent children may be eligible for Social Security survivors benefits. You can learn more about Social Security survivors benefits at www.socialsecurity.gov/survivors.

It's also important to recognize those service members who are still with us, especially those who have been wounded. Just as they served us, we have the obligation to serve them. Social Security has benefits to assist veterans when an injury prevents them from returning to active duty.

Wounded military service members can also receive expedited processing of their Social Security disability claims. For example, Social Security will provide expedited processing of disability claims filed by veterans who have a U.S. Department of Veterans Affairs (VA) Compensation rating of 100 percent Permanent & Total (P&T). Depending on the

situation, some family members of military personnel, including dependent children and, in some cases, spouses, may be eligible to receive benefits. You can get answers to commonly asked questions and find useful information about the application process at www.socialsecurity.gov/woundedwarriors.

Service members can also receive Social Security in addition to military retirement benefits. The good news is that your military retirement benefit does not reduce your Social Security retirement benefit. Learn more about Social Security retirement benefits at www.socialsecurity.gov/retirement. You may also want to visit the Military Service page of our Retirement Planner, available at www.socialsecurity.gov/planners/retire/veterans.html.

Service members are also eligible for Medicare at age 65. If you have health insurance from the VA or under the TRICARE or CHAMPVA programs, your health benefits may change, or end, when you become eligible for Medicare.

Learn more about Medicare benefits at www.socialsecurity.gov/medicare.

In acknowledgment of those who died for our country, those who served, and those who serve today, we at Social Security honor and thank you.

Readers Write

GENERAL

Q. *Can I conduct my Social Security business online in the event of a hurricane or other disaster that keeps me from visiting an office?*

A. Yes, you can conduct most of your business with Social Security online at www.socialsecurity.gov, where you'll find a wealth of information and services. For example, you can create or access your own *my Social Security* account, apply online for Social Security benefits or Medicare, and check the status of your pending application. If you're already receiving Social Security benefits, you can change your address, phone number, or your direct deposit information, get a replacement Medicare card, or get an instant proof of income letter. You also can get your *Social Security Statement* online. Your

Statement lets you check and verify your earnings record and see estimates of your future benefits. You also can find out if your local office is open at www.socialsecurity.gov/emergency. That site lists any office closings and delays.

Q. *I own a small business. How can I verify employees' Social Security numbers?*

A. Employers can use our Social Security Number Verification Service to verify the names and Social Security numbers of current and former employees for wage reporting purposes. For more information, go to www.socialsecurity.gov/employer/ssnv.htm.

RETIREMENT

Q. *How are my retirement benefits calculated?*

A. Your Social Security benefits are based on

earnings averaged over your lifetime. Your actual earnings are first adjusted or "indexed" to account for changes in average wages since the year the earnings were received. Then we calculate your average monthly indexed earnings during the 35 years in which you earned the most. We apply a formula to these earnings and arrive at your basic benefit. This is the amount you would receive at your full retirement age. You may be able to estimate your benefit by using our *Retirement Estimator* which offers estimates based on your Social Security earnings. You can find the *Retirement Estimator* at www.socialsecurity.gov/estimator.

Q. *When is the best time to apply for Social Security benefits?*

A. You can apply as early as four months before when you want your monthly benefits to begin. To apply, just go to www.socialsecurity.gov/applytoiretire.

SOCIAL SECURITY HELPS SMALL BUSINESSES



Social Security is one of the cornerstones of financial security for the nation. So are small businesses. Millions of Americans own and operate small businesses, making the “mom and pop” shop — from retailers to restaurants — one of the nation’s most valuable resources. National Small Business Week started on April 30, making this a perfect time to tell you more about how Social Security helps this not-so-small industry.

Small businesses can take advantage of our Business Services Online suite of services. These services allow organizations, businesses, individuals, employers, attorneys, non-attorneys representing Social Security claimants, and third-parties to exchange information with Social Security securely over the internet.

For small business owners, we’ve made it especially easy to file W-2s online to help ensure the privacy of their employees’ personal information. You can

register and create your own password to access Business Services Online at www.socialsecurity.gov/bsa

Social Security’s Office of Small and Disadvantaged Business Utilization (OSDBU) was established in October 1979 pursuant to Public Law 95-507.

The law assigned the office the task of fostering the use of small and disadvantaged businesses as federal contractors. To accomplish this, the OSDBU develops and implements appropriate outreach programs aimed at heightening the awareness of the small business community to the contracting opportunities available within Social Security.

Outreach efforts include activities such as sponsoring small business fairs and procurement conferences, as well as participating in trade group seminars, conventions, and other forums that promote the utilization of small and disadvantaged businesses as contractors.

The OSDBU encourages buyers and program officials to consider small businesses, and to support all the socio-economic contracting programs in place under the Federal Acquisition Regulations.

You can learn more about the OSDBU at www.socialsecurity.gov/agency/osdbu.

Business is booming in America, and you might be a part of the job-creating machine that we call small businesses.

You’re strengthening everybody’s future, for today and tomorrow.

Working While Receiving Benefits at Full Retirement Age

If you start receiving benefits after you’ve reached your full retirement age, you can work while you receive Social Security and your current benefit will not be reduced because of the earned income.

If you keep working, it could mean a higher benefit for you in the future. Higher benefits can be important to you later in life and increase the future benefit amounts your survivors could receive.

If you begin receiving benefits before your full retirement age, your earnings could reduce your monthly benefit amount.

After you reach full retirement age, we recalculate your benefit amount to leave out the months when we reduced or withheld benefits due to your excess earnings.

Learn more about Social Security reading our publication, *How Work Affects Your Benefits*, at www.socialsecurity.gov/pubs/10069.html.