

CHAPTER 10 - KEY FACTS REVIEW

Q1: Does the government factor INFLATION into the amount of my benefits?

After all, a dollar was worth FAR MORE in 1970 than it is today!

- a) Yes. They use INDEX FACTORS to put all of your annual earnings into 2020 purchasing power amounts.
- b) No. You are out of luck.
- c) Yes, but it's a luck of the draw; you never know which years they'll look at.
- d) No, everyone gets the same benefits.

Q2: I've worked for more than 40 years. Do they consider EVERY YEAR I've worked when calculating my benefits?

- a) Yes. Every year is averaged in to achieve the starting amount they use.
- b) No. They only look at the top 35 years of your adjusted income to calculate your benefits.
- c) Yes, but they only look at your lowest-earning years, so they save money and pay you the least amount in benefits.
- d) Yes, but they include all years you were unemployed to reduce your overall benefits.

Q3: The government uses 3 Bend Points or "buckets" of average indexed monthly earnings to level out the benefits between lower-income and higher income workers.

How much do you get from each of the three "buckets?"

- a) 70%, 50%, 30%.
- b) 80%, 40%, 20%.
- c) 85%, 35%, 18%.
- d) 90%, 32%, 15%.

Q4: If you are under your full retirement age for the entire year and receive Social Security benefits, what is the maximum you can earn without experiencing penalties in the following year?

- a) \$18,240.
- b) \$27,950.
- c) \$36,800.
- d) \$50,000.

ANSWERS: a, b, d, a.

If you want to discuss your Social Security and Medicare choices, please call us at **1-800-279-1261** and one of our volunteers will be glad to help at no cost to you whatsoever.