



Social Security Basics

March 2026



The Pension Boards
United Church of Christ, Inc.

WHERE FAITH AND FINANCE INTERSECT

Today's Presentation

How are Social Security Benefits Calculated,
How, and When to Collect Benefits

Social Security Spousal Benefits

Social Security Disability and Survivor
Benefits



Travis Marks, CFP®
Director Generations University
(973) 960-6307
tmarks@pbucc.org

Facts about Social Security

President Roosevelt signs the Social Security Bill into law - August 14, 1935

- First Social Security benefits were paid out in the form of one-time, lump-sum payments.

Ida M. Fuller was the first person to receive a monthly Social Security payment - January 1940

In 2025, an average of 69 million Americans (per month) will receive a Social Security benefit, totaling about \$1.6 trillion in benefits paid during the year.

On average, Social Security represents about 31% of the income of people over age 65.



Ida M. Fuller: First monthly recipient January 31, 1940. The first check was \$22.54 (Approx. \$510 inflation-adjusted today).

Ida lived to age 100

Social Security: How are Retirement Benefits Calculated?

1

Your top 35 years of earnings are used to calculate Social Security benefit at your full retirement age (FRA)

2

Your historic Social Security earnings are adjusted to today's value when determining determine top 35 years of earnings

You must earn at least 40 Social Security credits (10 years) to be eligible for Social Security benefits

Social Security Wage History

- Social Security computes the average of your yearly earnings (up to a specific limit)
- Only employment-related income counts, and you must have paid Social Security taxes on that income

Maximum wages considered for Social Security in years (2018-2026)

<u>Year</u>	<u>Amount</u>
2018	\$128,400
2019	\$132,900
2020	\$137,700
2021	\$142,800
2022	\$147,000
2023	\$160,200
2024	\$168,600
2025	\$176,100
2026	\$184,500

**View your Social Security wage history, on
SSA.GOV > Sign in**

What Are Average & Maximum Social Security Retirement Benefits: *January 2026*

Average Benefit for Retired Worker

- \$2,071

Maximum Benefits

- Age 62 = \$2,969
- Full Retirement Age = \$4,152
- Age 70 = \$5,181

How to Start Collecting Social Security Benefits

Documents you may need include:

- Social Security Number
- Birth Certificate (or similar evidence of date of birth e.g, driver's license or passport)
- Most recent W-2 tax form or federal self-employment tax return

How to Contact SSA:

- Phone: 800-773-1213
- Website: www.ssa.gov/onlineservices
- In-Person: Find your closest office at www.ssa.gov

FACT: You can apply for retirement benefits up to 4 months before you want to start receiving your benefits

Social Security Retirement Benefits – When Can You Start Collecting?

Collect Early

- As early as **age 62**

Collect at Full Retirement Age (FRA)

- **Age 67:** If born 1960 or later
- **Between ages 65-67:** If born before 1960

Delay Past Full Retirement Age (FRA)

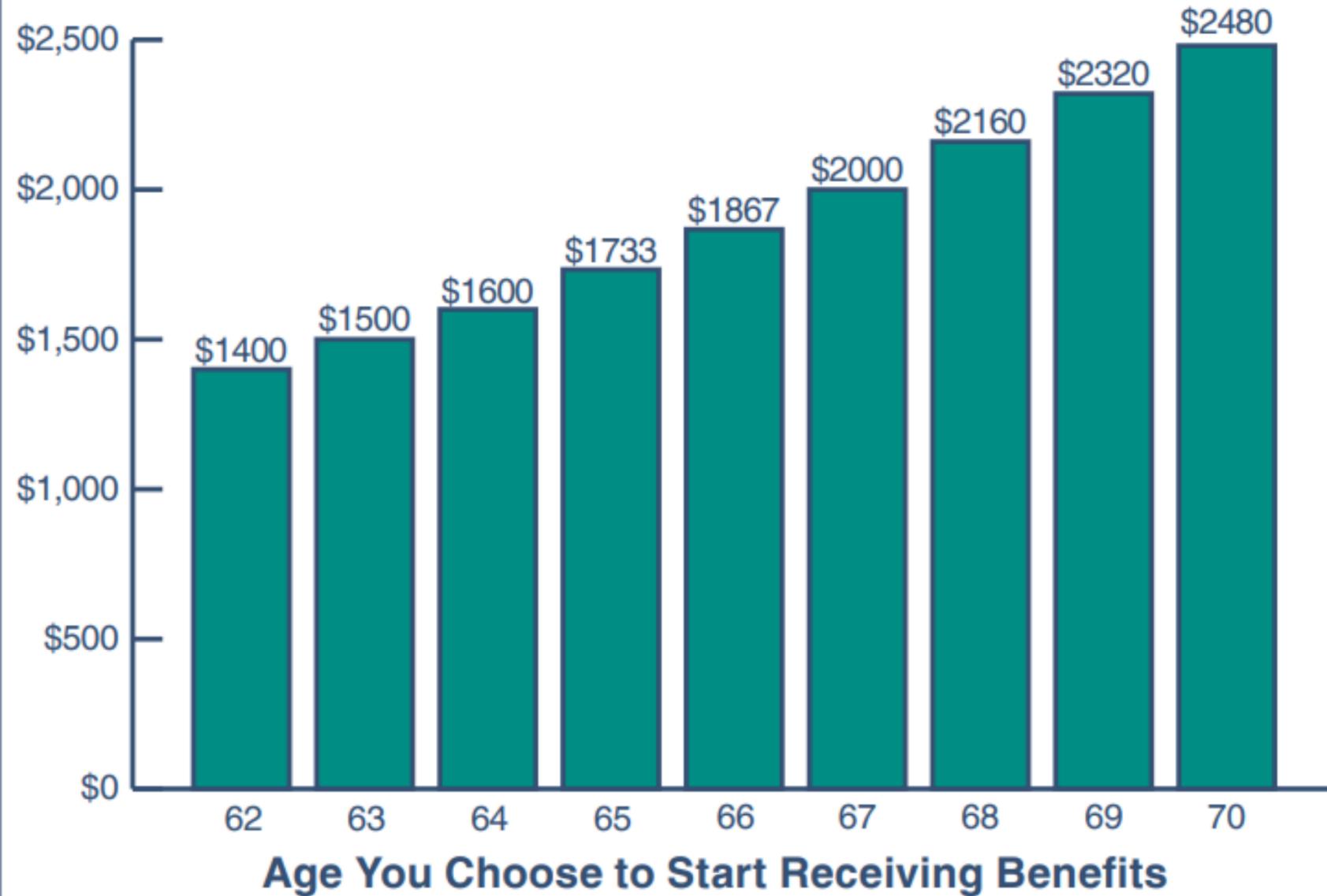
- Delay after FRA **until age 70**
- **8% per year increase** from FRA

FACT: If you collect Social Security Retirement Benefits before age 65, you will be automatically enrolled in Medicare Parts A and B when you turn 65. However, you can decline Part B by notifying Medicare and completing form CMS-1763.

Social Security Impact of Starting Early vs. Later

What Is the Best Age to Start Receiving Social Security Retirement Benefits?

Monthly Benefit Amounts Differ Based on the
Age You Decide to Start Receiving Benefits



Note: This example assumes a benefit of \$2,000 at a full retirement age of 67



When Should You Collect Benefits? Considerations Include

Cash flow needs

36

Your and spouse's longevity

32

Will you work in retirement?

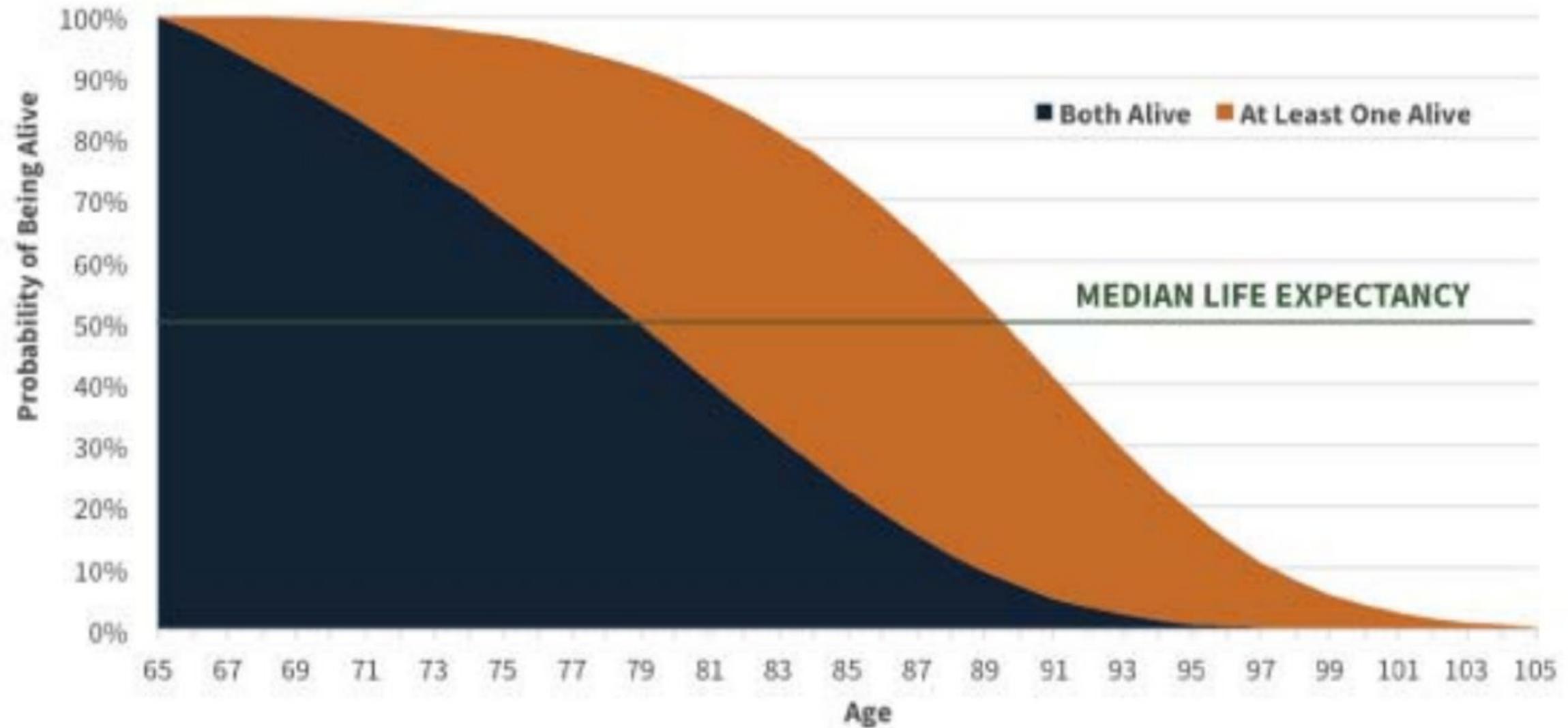
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Earnings history between you and spouse

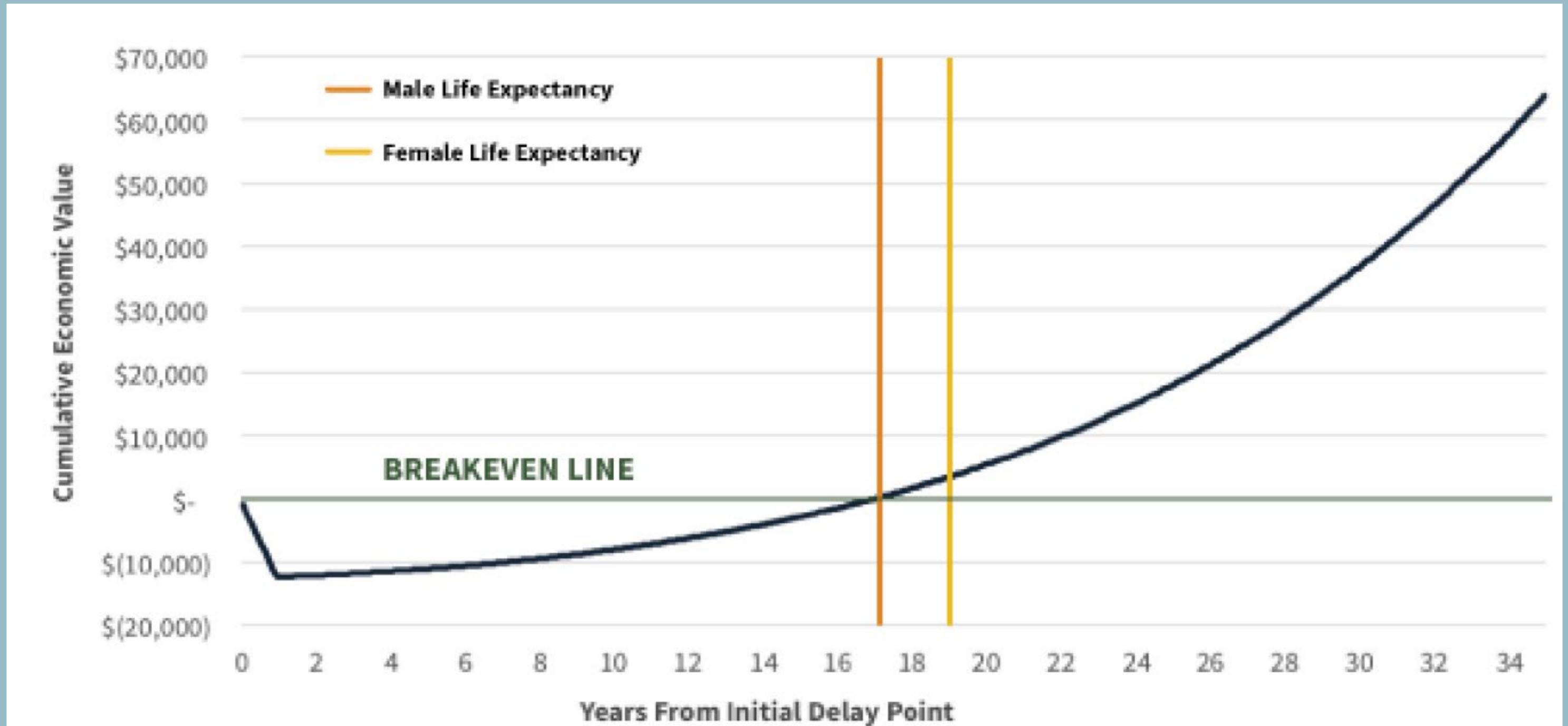
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Life
Expectancy Is
Important to
the Decision

Figure 13. Joint Life And Survivorship Life Expectancies For Couples



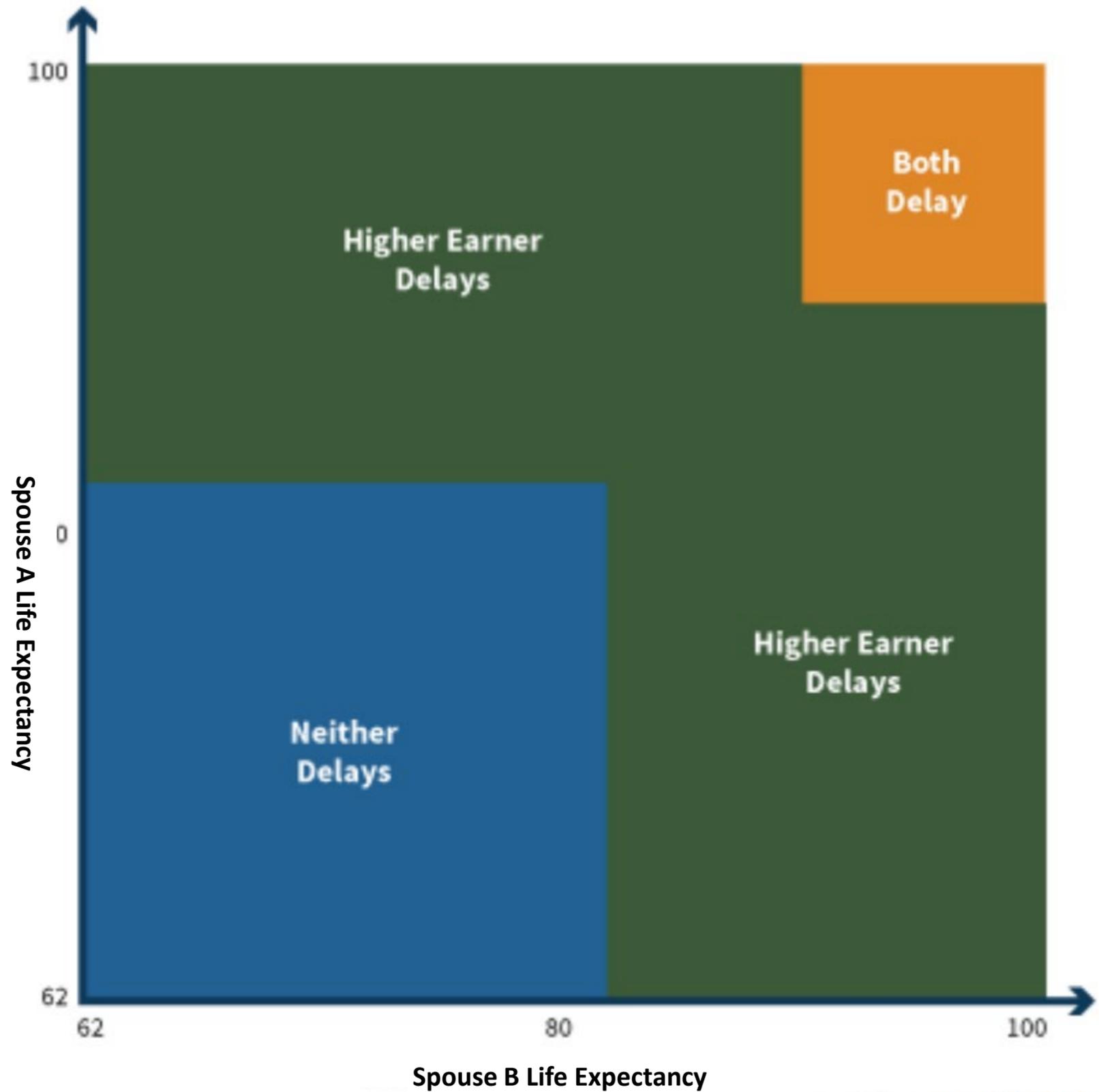
Social Security Breakeven Analysis



Hypothetical Example: From Kitces Report Volume 1, 2016. Cumulative economic benefit of delaying Social Security one year (with a \$1,000/month benefit in exchange for an 8% delayed retirement credit), assuming a 3% inflation COLA and a 6% portfolio growth rate.

Assuming You Can
Afford to Delay,
Possible Strategies
Include

Figure 14. Couples Claiming Strategies Based On Life Expectancy



How Will Working Impact Your Benefits?

If You Are:	You Can Make Up To: *	If You Make More, Some Benefits Will Be Withheld:
Under Full Retirement Age	\$24,480/yr. (\$2,040/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$65,160/yr. (\$5,430/mo.)	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit

* 2026 tax rules

To learn about more how working will impact your Social Security Benefits
visit www.ssa.gov/benefits/retirement/planner/whileworking.html

How Will Working Impact Your Benefits?

Filing Status	“Combined Income” Limits*	Must pay taxes on up to
Individual Return	\$25,000 - \$34,000	50% of benefit
Individual Return	Over \$34,000	85% of benefits
Joint Return	\$32,000 - \$44,000	50% of benefit
Joint Return	Over \$44,000	85% of benefits

“Combined Income” is calculated by adding

- + Your Adjusted Gross Income
- + ½ of your Social Security Benefits
- + Nontaxable Interest

To learn more about how taxes on Social Security are determined visit:
www.ssa.gov/benefits/retirement/planner/taxes.html

* 2026 tax rules

Social Security Spousal Benefits

General Eligibility and Benefit Information:

- Worker must have filed for their own benefit
- Spouse must be at least age 62
- Generally, must be married for at least one year before applying

Benefit Amount:

- Up to 50% of the worker's full retirement age benefit
 - Reduced if spouse collects before full retirement age
 - Benefit does not earn delayed credits if the spouse delays past their FRA, e.g., delays to 70
-

Spousal Benefits FAQs

Can I switch from collecting my own benefit to a spousal benefit later when I am eligible?

- Yes, you could collect your own benefit as early as age 62 and then switch to a spousal benefit if it's higher down the road. **However**, your spousal benefit would be reduced if you collected your own benefit prior to your full retirement age.

I am married, what happens to our Social Security benefits when one of us passes away?

- The surviving spouse is permitted to collect only one benefit. In effect, the survivor spouse will receive the higher of the two benefits
-

Spousal Benefits FAQs

I am divorced, can I collect a spousal benefit from my ex-spouse's earnings record? **Yes**, if the following is true:

- You must have been married for 10 years or more
- You must be at least age 62 and unmarried
- Divorce must have been finalized for at least 2 years if under FRA
- Ex-spouse must be at least 62 and eligible for benefits

If my ex-spouse collects on my earnings record, does that impact my Social Security Retirement Benefit?

- No, Spousal Benefits (whether from a current or ex-spouse) have NO impact on your Social Security Retirement Benefit
-

Social Security Survivor Benefits

Widow(er)

- As early as age 60 (or 50 if disabled)
- Unmarried and caring for a child younger than age 16 or who has a disability

Unmarried Children

- Under 18
- Up to age 19 if a full-time elementary or secondary school
- Disabled before age 22 and remains disabled

Others who may be eligible

- Divorced spouses (marriage longer than 10 years)
- Stepchildren
- Dependent parents age 62 or older

Social Security Survivor Benefits

Benefits paid to:	Percentage of PIA generally payable (subject to family maximum)
Widow(er) at their full retirement age (FRA) or older	100%
Widow(er) between age 60 and FRA	71% - 99%
Widow(er) with eligible child who is under age 16 or disabled	75%
Each eligible child	75%

Maximum Family Benefit limit typically varies between **150% and 180%** of the deceased worker's benefit amount

Social Security Disability Benefits (SSDI)

Eligibility

- Disability is expected to last for at least one year or result in death
- In 2026, unable to earn income above \$1,690 per month or \$2,830 if considered blind

Applying

- Apply as soon as you become disabled, applications may take several months to process.
- Payments generally start with your 6th month of disability

Benefits

- Calculated the same as your retirement benefit based on lifetime earnings (top 35 years of earnings)
- The maximum amount for worker and family combined is either 85% of what the disabled worker was earning before becoming disabled, or 150% of what the worker's individual benefit, whichever is lower

For more details visit www.ssa.gov/disability/eligibility

Fact: *In 2023, there were an estimated 2.7 covered workers per Social Security beneficiary; by 2035, it's estimated there will be 2.4 covered workers per beneficiary*

Potential Modifications to Address Aging Population

Potential Modifications to Full Retirement Age (FRA): In 1983, a law was signed to help strengthen Social Security by gradually raising the FRA from 65 to 67.

Taxability of Benefits: In 1983, a law was enacted to tax Social Security benefits up to 50% for certain recipients. In 1993, this was modified to tax up to 85% of benefits.

Other Potential Ideas Include: Increasing payroll tax rate, increasing income wage limits, benefit calculations.

Fidelity Retirement Planners

Fidelity Retirement Planners are available to help you create a financial plan that's right for you and knowledgeable about the PBUCC Lifetime Retirement Income Plan:

- Enrolling in your plan and discussing an asset allocation that may be right for you.
- Helping you understand how much you'll need to retire, the steps you can take to get there, and what your income may look like in retirement.

**Call Fidelity Retirement Planner via PBUCC Member Services at
1.800.642.6543, Mon-Fri from 8:30 a.m. to 9:00 p.m. ET**



LSS Financial Choice

What is LSS Financial Choice?

- LSS Financial Choice is an enhanced service that provides nonjudgmental support, financial guidance, and proven tools to achieve your financial wellness goals.

LSS can provide guidance in the following areas:

- Applying for student loan forgiveness
- Budget and debt management counseling
- Speak with a certified HUD housing counselor
- Credit improvement
- Debt management plans

Who is eligible:

- Through your **LSS Financial Choice** benefit, PBUC members including their immediate family, spouses/partners, can receive **six free counseling sessions per year**.

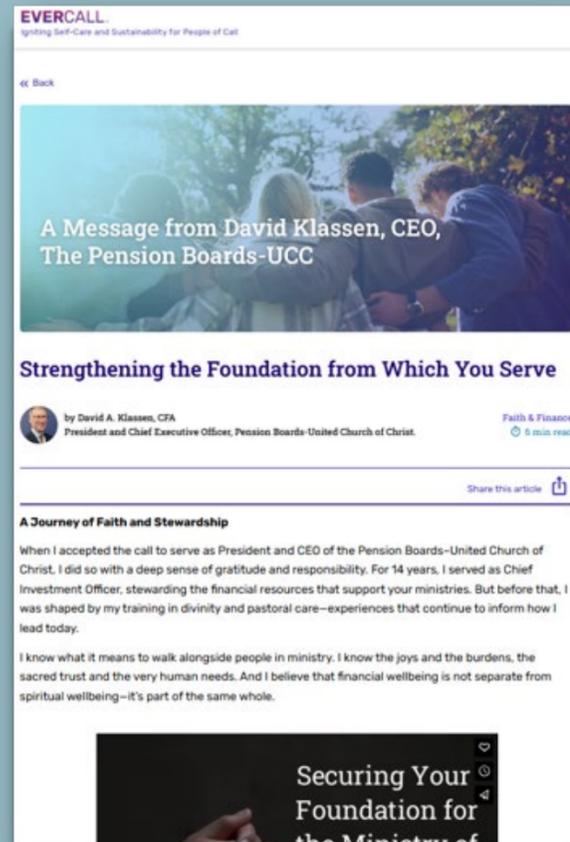
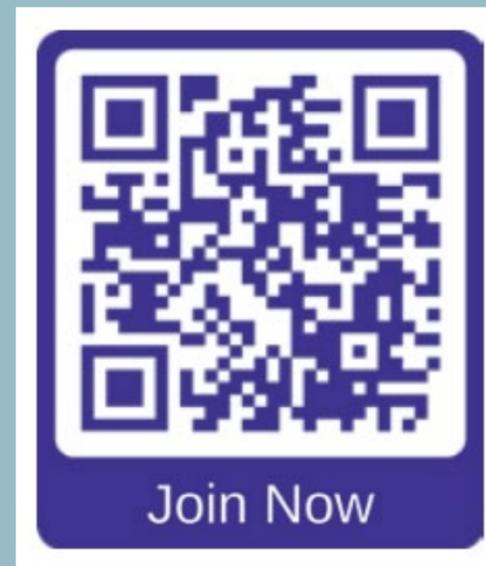
Call LSS Financial Choice at 833-975-0719 from 9:00 a.m. to 6:00 p.m. ET Monday to Friday

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Questions?



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 - Email: info@pbucc.org
 - Visit: www.pbucc.org
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Thank you!

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