



MFS HERITAGE PLANNING® > RETIREMENT

Social Security's Benefits Statement Mailing



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Whether you're in your early 60s and closing in on retirement, in your mid-20s with decades to go or somewhere in between, you should be aware of an important retirement planning resource from the Social Security Administration (SSA), a benefits statement that outlines your personal retirement and disability benefits — two key components of a comprehensive financial plan.

What is it?

The SSA currently mails Social Security statements to workers age 60 and over who aren't receiving Social Security benefits and who are not registered for a "my Social Security" account, about three months before their birthday.

On each statement you'll find

- year-by-year histories of your taxed Social Security earnings
- estimates of your monthly retirement benefits if you retire at age 62, 67 or 70
- estimated monthly disability payments, effective immediately
- estimated monthly benefits to survivors, effective immediately

KEY POINTS

- You can request a benefits statement online. Simply go to the Social Security Administration's Web site (www.ssa.gov), sign up for a "my Social Security account".
- To complete the electronic form, you'll need the following information:
 - your name as shown on your Social Security card
 - your Social Security number
 - your date of birth
 - your place of birth
 - your mother's maiden name (to help identify you)



This material should be used as helpful hints only. Each person's situation is different. You should consult your investment professional or other relevant professional before making any decisions.

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The statement reminds you that Social Security is meant to be the foundation — and not the sole source — of your retirement income. After reviewing your statement, you may realize that you might need to further supplement your benefits with potential income from a 401(k) or other retirement plan, savings or investments.

An action plan

To make the most of the personal retirement and disability benefits information sent to you by the SSA, you may want to consider following these four simple steps:

- 1) Take a few moments to review the diagrams on the following pages to see what the statement can tell you.
- 2) Familiarize yourself with the estimated benefits available to you and your family as outlined on the statement.
- 3) Schedule an appointment with your investment professional to review your Social Security statement and incorporate any pertinent information into your overall financial plan.
- 4) If appropriate, this might also be a good opportunity to discuss making changes to your retirement portfolio with your investment professional.

Resources

For further information about your SSA benefits statement, visit Social Security online at www.ssa.gov.

Keep in mind that all investments carry a certain amount of risk including the possible loss of the principal amount invested.

This material is provided for general and educational purposes only and is not investment advice. The investments you choose should correspond to your financial needs, goals, and risk tolerance. Please consult an investment professional before making any investment or financial decisions or purchasing any financial, securities or investment related service or product, including any investment product or service described in these materials.

Contact your investment professional for more information or visit mfs.com.

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Your payment would be about
\$1,986 a month
 at full retirement age

WANDA WORKER
 456 ANYWHERE AVENUE
 MAINTOWN, USA 11111-1111

January 2, 2020

Your Social Security Statement

Are you thinking about retirement? Are you ready for retirement?

We have tools that can help you!

- Estimate your future retirement benefits at socialsecurity.gov/estimator
- Apply for retirement, spouse's, Medicare, or disability benefits at socialsecurity.gov/applyforbenefits
- And once you receive benefits, manage your benefits at myaccount.socialsecurity.gov

Your *Social Security Statement* tells you about **how much you or your family would receive** in disability, survivor, or retirement benefits. It also includes our record of your lifetime earnings. Check out your earnings history, and **let us know right away if you find an error**. This is important because we base your benefits on our record of your lifetime earnings.

Social Security benefits are **not intended to be your only source of income when you retire**. On average, Social Security will replace about

To view your *Social Security Statement* online anytime create a **my Social Security** account today!



my Social Security
myaccount.socialsecurity.gov

40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to live comfortably when you retire.

To see your *Statement* online anytime, create a **my Social Security** account at myaccount.socialsecurity.gov.

Social Security Administration

Follow the Social Security Administration at these social media sites.



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Credits are used to determine if you have the minimum amount of work needed to qualify for benefits.

Working longer can increase your Social Security benefit. The extra years of work usually help increase your average earnings on which your benefits are based. After your Full Retirement Age, your retirement benefit increases by 8% per year until age 70.

The Full Retirement Age (FRA) is 66 for anyone born between 1945 and 1954. It gradually increases by two months for every year between 1955 and 1959. It is age 67 for anyone born in 1960 or later.

Your Estimated Benefits

<p>*Retirement</p> <p>You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until...</p> <ul style="list-style-type: none"> ■ your full retirement age (67 years), your payment would be about.....\$ 1,986 a month ■ age 70, your payment would be about\$ 2,468 a month ■ age 62, your payment would be about\$ 1,376 a month <p>*Disability</p> <p>You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about.....\$ 1,956 a month</p> <p>*Family</p> <p>*Survivors</p> <p>If you get retirement or disability benefits, your spouse and children also may qualify for benefits. You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:</p> <ul style="list-style-type: none"> ■ Your child.....\$ 1,467 a month ■ Your spouse who is caring for your child.....\$ 1,467 a month ■ Your spouse, if benefits start at full retirement age.....\$ 1,956 a month ■ Total family benefits cannot be more than\$ 3,568 a month <p>Your spouse or minor child may be eligible for a special one-time death benefit of \$255.</p> <p>Medicare</p> <p>You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.</p> <p>* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2035, the payroll taxes collected will be enough to pay only about 80 percent of scheduled benefits.</p> <p>We based your benefit estimates on these facts:</p> <ul style="list-style-type: none"> ■ Your date of birth (please verify your name on page 1 and this date of birth)..... April 5, 1960 ■ Your estimated taxable earnings per year after 2018 \$50,653 ■ Your Social Security number (only the last four digits are shown to help prevent identity theft)..... XXX-XX-1234 	<p>Working longer can increase your Social Security benefit. The extra years of work usually help increase your average earnings on which your benefits are based. After your Full Retirement Age, your retirement benefit increases by 8% per year until age 70.</p>
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No matter what your full retirement age is, reduced benefits are available at age 62. Discuss with your financial advisor and the Social Security Administration the advantages and disadvantages of claiming a reduced benefit.

How Your Benefits Are Estimated

To qualify for benefits, you earn "credits" through your work — up to four each year. This year, for example, you earn one credit for each \$1,410 of wages or self-employment income. When you've earned \$5,640, you've earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven't earned enough yet to qualify for any type of benefit, we can't give you a benefit estimate now. If you continue to work, we'll give you an estimate when you do qualify.

What we assumed — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2020 and later (up to retirement age), we assumed you'll continue to work and make about the same as you did in 2018 or 2019. We also included credits we assumed you earned last year and this year.

Generally, the older you are and the closer you are to retirement, the more accurate the retirement estimates will be because they are based on a longer work history with fewer uncertainties such as earnings fluctuations and future law changes. We encourage you to use our online Retirement Estimator at www.socialsecurity.gov/estimator to obtain immediate and personalized benefit estimates.

We can't provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates stated above because:**

- (1) Your earnings may increase or decrease in the future.
- (2) After you start receiving benefits, they will be adjusted for cost-of-living increases.

- (3) Your estimated benefits are based on current law. **The law governing benefit amounts may change.**
- (4) Your benefit amount may be affected by **military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.** Visit www.socialsecurity.gov to learn more.

Windfall Elimination Provision (WEP) — In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at www.socialsecurity.gov/WEP.

Government Pension Offset (GPO) — If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify, now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse's record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at www.socialsecurity.gov/GPO.

Submit Form SS-5 if your name has changed or your date of birth is incorrect.

Information for certain individuals who worked in a position that did not pay into Social Security.

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Be sure to confirm that all of your earnings from past years and employers are recorded. If they aren't, locate your W-2 or tax return and contact Social Security. Note: Your earnings for the current year won't be reported until next year. You may have only three years to make any corrections to your earnings statement.

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings	Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1976	226	226	2001	34,915	34,915
1977	592	592	2002	35,591	35,591
1978	1,144	1,144	2003	36,717	36,717
1979	2,116	2,116	2004	38,686	38,686
1980	3,103	3,103	2005	40,325	40,325
1981	4,125	4,125	2006	42,315	42,315
1982	5,272	5,272	2007	44,346	44,346
1983	6,926	6,926	2008	45,437	45,437
1984	8,692	8,692	2009	44,784	44,784
1985	10,210	10,210	2010	45,847	45,847
1986	11,555	11,555	2011	47,146	47,146
1987	13,305	13,305	2012	48,349	48,349
1988	14,916	14,916	2013	48,606	48,606
1989	16,369	16,369	2014	49,860	49,860
1990	17,925	17,925	2015	50,850	50,850
1991	19,300	19,300	2016	50,158	50,158
1992	20,945	20,945	2017	50,440	50,440
1993	21,695	21,695	2018	50,653	50,653
1994	22,816	22,816	2019	Not yet recorded	
1995	24,225	24,225			
1996	25,858	25,858			
1997	27,806	27,806			
1998	29,642	29,642			
1999	31,658	31,658			
2000	33,767	33,767			

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:		Estimated taxes paid for Medicare:	
You paid:	\$70,698	You paid:	\$17,020
Your employers paid:	\$72,634	Your employers paid:	\$17,020

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to \$137,700 of your earnings and a 1.45* percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employee and employer amount, which is a 12.4 percent Social Security tax on up to \$137,700 of your net earnings and a 2.9* percent Medicare tax on your entire net earnings.

*If you have earned income of more than \$200,000 (\$250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

Review this chart carefully using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct.

Some or all of your earnings from **last year** may not be shown on your *Statement*. It could be that we still were

processing last year's earnings reports when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.

There's a limit on the amount of earnings on which you pay Social Security taxes each year. The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, all of your earnings are taxed for Medicare.)

Call us right away at 1-800-772-1213 (7 a.m.–7 p.m. your local time) if any earnings for years **before last year** are shown incorrectly. Please have your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

If you work for someone else, the taxes deducted by your employer for Social Security and Medicare may be labeled "FICA" on your pay slip.

There are different types of self-employment (sole proprietor, self-employed, Schedule C, S Corp). Each may have different federal tax filing requirements. Sole proprietors report earnings for Social Security with their federal tax forms; other types of self-employment may not.

Today, all of your earnings are taxed for Medicare.