An **Educational Guide**
for Individuals

Welcome to the Social Side of Retirement℠

Making the most of your Social Security retirement benefits

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When it comes to Social Security retirement benefits, your decision shouldn't be based on "one-size-fits-all" assumptions. Your age, marital status, health and financial needs are all important considerations.

This guide is intended as an introduction to Social Security retirement benefit basics. It does not cover every filing situation (some of which can be complex), but it can help lay the groundwork for further exploration of this important benefit.

Remember, it's *your* Social Security retirement benefit. Make the most of it!

Contents

Detailed information is available by visiting the Social Security Administration website at www.socialsecurity.gov. You can call the Social Security Administration toll-free at 1-800-772-1213. For the deaf or hearing impaired, the TTY number is 1-800-325-0778.

Social Security and you

Social Security retirement benefits are a core component of retirement income for many Americans. They are one of the few sources of retirement income that is predictable, unaffected by market ups and downs and that may be adjusted for inflation periodically.

Social Security eligibility

If you work and pay taxes into Social Security, you may already know that this tax is withheld from your salary. You may have seen this tax listed on your pay stub.

Social Security taxes are part of the **Federal Insurance Contributions Act (FICA) tax**. This federal payroll (or employment) tax is paid equally by many (but not all) employers and their employees. If you are self-employed, this tax is paid entirely by you. FICA taxes are used to fund Social Security and Medicare benefits.

There are some jobs that don't pay into the Social Security system and for which no Social Security taxes are withheld. This is often the case for some state and federal government workers.

Eligibility for Social Security retirement benefits is determined by the Social Security credits you have accumulated over your working life and by your age when you file for benefits.

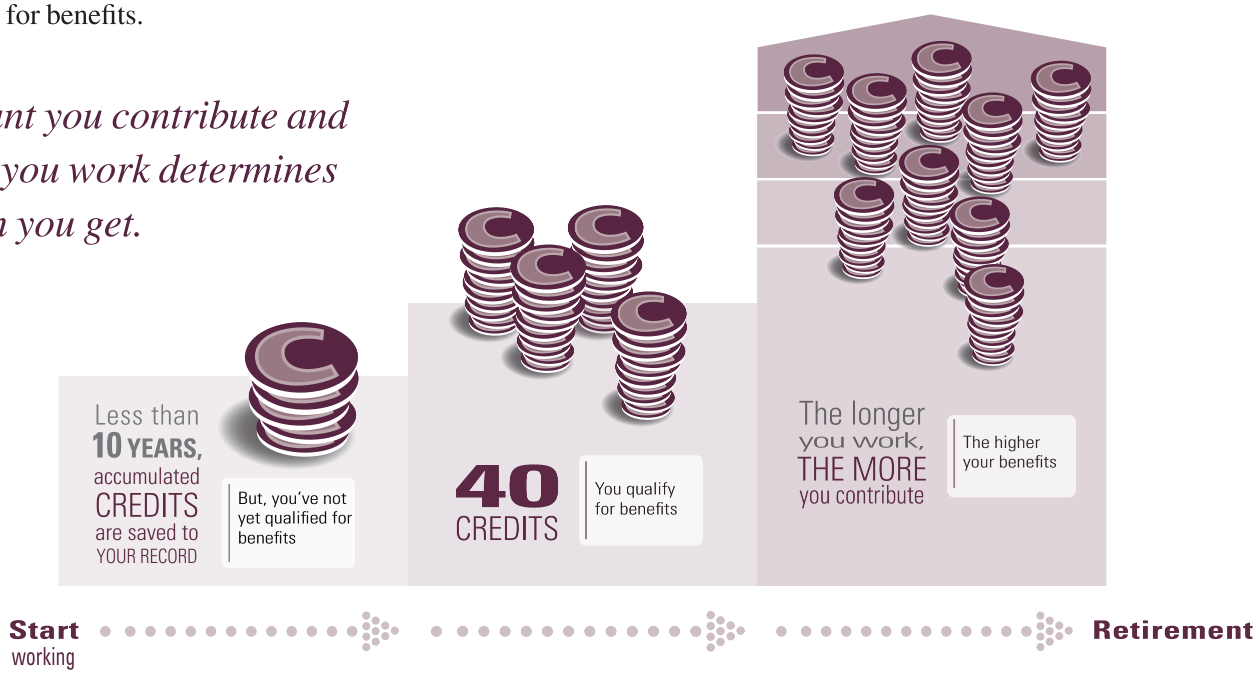
Social Security retirement credits

During your working years, you earn "credits" toward Social Security retirement benefits. The number of credits required to receive Social Security retirement benefits depends on when you were born. Anyone born in 1929 or later must have 40 credits (10 years of work) to qualify.[1]

Many people will pay into the system for 35 years or more. The more you earn, the higher your benefit will be at retirement, up to specified limits.

Social Security only pays retirement benefits if you have accumulated the required number of credits. If you stop working before you have enough credits to qualify for benefits, the credits you have earned will remain on your Social Security record. If you return to work later on, you can earn more credits.

The amount you contribute and how long you work determines how much you get.



[1] Source: Social Security Administration Benefits Planner: Retirement Credits at http://www.ssa.gov/retire2/credits.htm

Filing for Social Security retirement benefits

You are eligible to file for and receive Social Security retirement benefits as soon as you reach age 62. Many Americans do just that, but should you?

Before you begin receiving benefits, it's important to understand how Social Security benefits work and the filing options that may be available to you.

Taking benefits early can have an impact on you, your spouse and on survivor benefits later in life. Collecting Social Security benefits before reaching full retirement age can leave money on the table – in the form of a reduced monthly benefit. That reduced monthly benefit is permanent.

Know your "full retirement age"

Full retirement age is the age at which you are entitled to receive full Social Security retirement benefits. Full retirement age is based on the year you were born.

Your full retirement age[2]

Year of Birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Your "primary insurance amount"

Your primary insurance amount – or PIA – is the benefit you would receive if you begin receiving retirement benefits at your full retirement age. At this age, the benefit is neither reduced for early retirement nor increased for delayed retirement.[3]

Longevity is a wild card

Once you know your full retirement age, it's important to consider longevity. According to data compiled by the Social Security Administration:

- A man reaching age 65 today can expect to live, on average, until age 84.
- A woman turning age 65 today can expect to live, on average, until age 86.

Those are just averages! About one out of every four 65 year-olds today will live past age 90, and one out of 10 will live past **age 95.**[4]

Although it's impossible to predict exactly how long you will live, your current health and family history can provide a general idea of your chances for living a long time.

The Social Security Administration website also provides information on longevity. Their online longevity calculator estimates longevity based on age and gender assumptions.

Just remember that estimates provided by the calculator reflect "averages." Your own lifespan may be longer or shorter than average. Whether you are married, single, widowed or divorced, longevity is a key variable to consider in making a benefit filing decision.

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[2] Source: Social Security Administration, Retirement Planner: Full Retirement Age, http://www.socialsecurity.gov/retire2/retirechart.htm

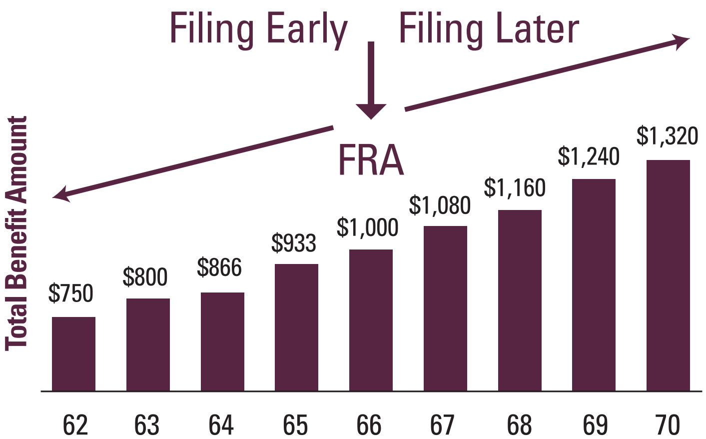
[3] Source: Social Security Administration, http://www.ssa.gov/OACT/COLA/piaformula.html

[4] Source: Social Security Administration, Calculators, Life Expectancy, http://www.socialsecurity.gov/planners/lifeexpectancy.htm

Timing is everything

The age at which you begin receiving benefits is one of the most important factors affecting the amount of your monthly benefit.

The chart below shows the effects that claiming age has on a hypothetical monthly Social Security benefit of $1,000; it assumes a full retirement age (FRA) of 66.



The chart shows that when benefits are claimed:

- **At full retirement age** – The full monthly benefit of $1,000 is paid.
- **Before full retirement age** – The monthly benefit gradually reduces. If benefits are claimed at age 62, only $750 would be paid each month – a 25% decrease.
- **After full retirement age** – The monthly benefit increases for every year claiming is delayed, up until age 70. In this case, the monthly benefit at age 70 has increased to $1,320 – a 32% increase. This increase is due to **delayed retirement credits.**

The power of delayed retirement credits

For each year after full retirement age that you delay taking benefits, delayed retirement credits increase your monthly benefit amount. The percentage of increase depends on the year you were born.

If you were born in 1943 or later, your benefit increases by 8% each year until you reach age 70. After that, no additional delayed retirement credits are earned.[5]

The long-term costs of filing early

Before deciding whether to begin receiving Social Security retirement benefits before reaching full retirement age, consider the long-term implications:

On your benefits – Filing before full retirement age permanently reduces monthly benefit amounts – up to 25% if your full retirement age is 66. In general, the longer you expect to live, the more likely you are to benefit from waiting to receive benefits.

On a spouse's benefits – If your spouse collects a spousal benefit before reaching full retirement age, his or her benefit is permanently reduced.

In addition, if you take Social Security early and your spouse takes a spousal benefit early, the amount of benefits paid out over your combined lifetimes will be less than if one or both of you had waited to claim your benefits.

On survivor benefits – Social Security benefits for a couple are always reduced when one spouse dies. A surviving spouse will receive either his or her individual benefit or an amount equal to yours – whichever is greater. A surviving spouse cannot receive both benefits.

The good news – Your surviving spouse receives the higher benefit.

The bad news – Only one benefit is paid – not two. The lower benefit always goes away.

A filing strategy that delays collecting benefits may help provide financial security for a surviving spouse.

[5] Source: Social Security Administration, http://www.ssa.gov/pubs/EN-05-10147.pdf

Benefits for spouses

Social Security "spousal" benefits may be available for:

- Current spouses
- Widowed spouses
- Ex-spouses

Even spouses who have never worked under Social Security may be eligible to receive benefits if they are at least 62 years old and their spouse is receiving or eligible for retirement or disability benefits. If you are currently married, you cannot collect a spousal benefit until your spouse files for his or her benefit.

Different rules and requirements apply if you are widowed or divorced.

How much does a spouse receive?

Spouses who qualify for a spousal benefit can receive up to 50% of their higher-earning spouse's full retirement age benefit – if they file for that benefit at full retirement age.

If a spouse begins collecting a spousal benefit before reaching full retirement age, Social Security will pay a reduced benefit – unless the spouse is caring for a qualifying child. In that case, the spousal benefit is not reduced.[6]

If a spouse is eligible for a retirement benefit based on his or her individual earnings and that benefit is higher than the spousal benefit he or she would receive, then Social Security will pay the higher individual benefit.

Information for same-sex couples from the Social Security Administration

"Social Security has published new instructions that allow the agency to process more claims in which entitlement or eligibility is affected by a same-sex relationship.

This latest policy development lets the agency recognize some non-marital legal relationships as marriages for determining entitlement to benefits. These instructions also allow Social Security to begin processing many claims in states that do not recognize same-sex marriages or non-marital legal relationships.

We [the Social Security Administration] have consulted with the Department of Justice and determined that the Social Security Act requires the agency to follow state law in Social Security cases. The new policy also addresses Supplemental Security Income claims based on same-sex relationships. Your same-sex marriage may affect your SSI eligibility or payment amount.

If you are in, or are a surviving spouse of, a same-sex marriage or non-marital legal same-sex relationship, we encourage you to apply right away for benefits.

If you have questions about how a same-sex marriage or non-marital legal relationship may affect your claim or to tell Social Security if you are married, separated or divorced, please call **1-800-772-1213** (TTY **1-800-325-0778**) or contact your local Social Security Office."

Social Security Administration, same-sex couples, http://www.socialsecurity.gov/people/same-sexcouples/

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[6] Source: Social Security Administration, Retirement Planner: Benefits for Your Spouse, http://www.socialsecurity.gov/retire2/yourchildren.htm. Certain maximum limits apply to family benefits.

Example

Here is an example of how filing age can affect a spousal benefit for one hypothetical couple, Bob (age 66) and Mary (age 62).

At age 66, Bob has already reached full retirement age and has just filed for his monthly benefit. Mary's full retirement age is also 66 – but at age 62, she has a few years to go before she reaches that milestone. Because she doesn't have the 40 credits needed to file for individual benefits, Mary plans to file for a spousal benefit based on her husband Bob's earning record.

By filing for his own benefit, Bob has opened the door for Mary to file for a spousal benefit. However, if she begins collecting a spousal benefit before her full retirement age, the monthly spousal benefit she receives will be reduced.

By waiting until age 66 to collect, Mary will be eligible for the maximum spousal benefit amount – 50% of Bob's full retirement age benefit.

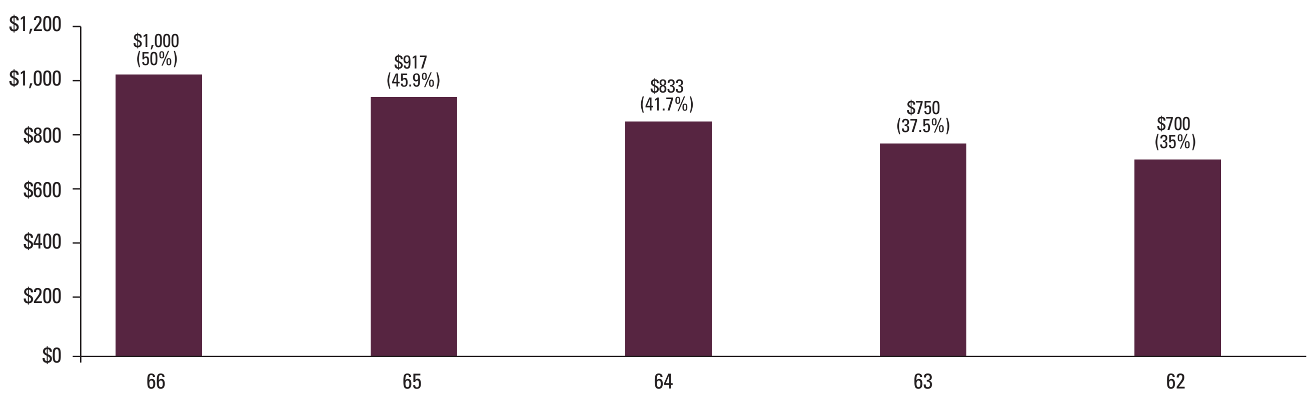
Let's assume that 50% of Bob's full retirement age benefit is $1,000. This is the spousal benefit amount that Mary will receive if she waits until age 66 to file for benefits.

The chart below shows what happens if Mary begins collecting benefits before age 66. Social Security gradually reduces the percentage used to calculate Mary's benefit, from 50% to 35% of Bob's full retirement age benefit if Mary claims her spousal benefit when she is only 62.

The Social Security Administration provides detailed information on spousal benefits, including a calculator that you can use to estimate your own spousal benefit.[7]

Spousal benefits are not eligible for delayed retirement credits.

Example: Mary's monthly spousal benefit amount



[7] Source: Social Security Administration, Full Retirement Age: If You Were Born Between 1943 And 1954, http://www.socialsecurity.gov/retirement/1943.html

How spousal benefits work

To understand Social Security spousal benefits, it's important to remember a basic principle: spouses may receive either a benefit based on their own earnings history or an amount equal to 50% of their spouse's benefit – whichever amount is greater.[8]

Keeping this principle in mind, let's look at what happens to spousal benefits for a married couple in three different scenarios. For simplicity, we'll make some basic assumptions.

- Both spouses have reached their **full retirement age** and are ready to file for their Social Security retirement benefits.
- **Spouse A** has an individual work record that spans more than 35 years and has always paid Social Security taxes. As a result, we'll assume that Spouse A is eligible to receive a monthly benefit of $2,400.

  Based upon Spouse A's full retirement age benefit of $2,400, the maximum monthly spousal benefit that Spouse B would receive at full retirement age is $1,200.
- **Spouse B** has worked intermittently on a part-time basis over the years, always paying Social Security taxes when working. Although Spouse B's earnings have consistently been lower than Spouse A's, Spouse B has earned enough Social Security credits to qualify for a retirement benefit based on his or her individual earnings history.

Now, let's add one variable to these assumptions. That variable is the monthly benefit amount that Spouse B is eligible to receive based solely on his or her individual earnings history, as shown in the illustration on the next page.

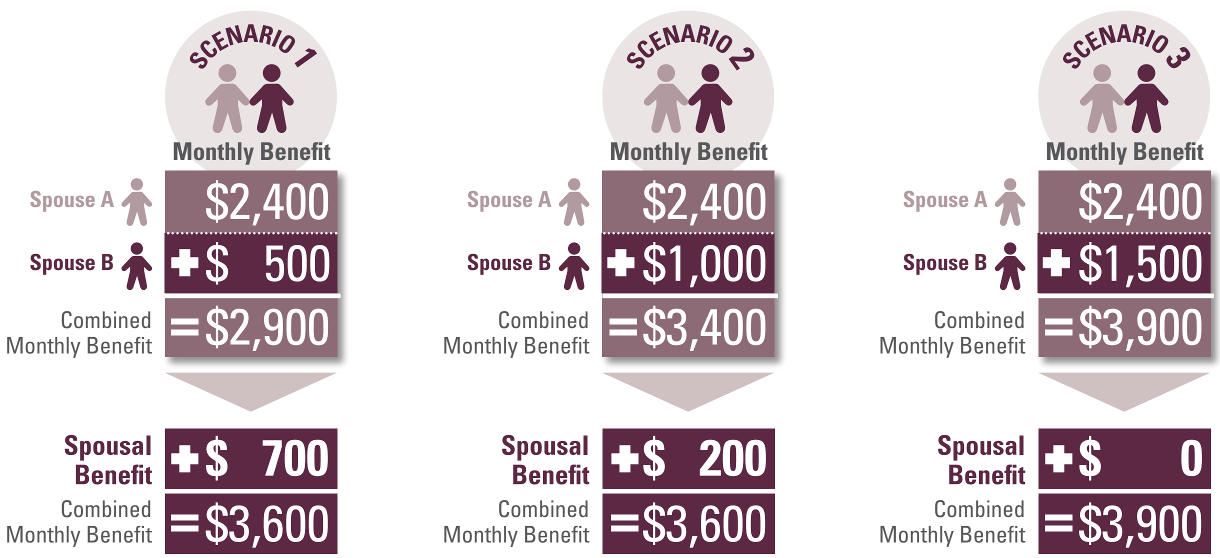
[8] Source: Social Security Administration, Retirement Planner: Benefits for Your Spouse, http://www.ssa.gov/retire2/yourspouse.htm#a0=2

Scenario 1: Spouse B is eligible to receive an individual monthly benefit of $500 – This amount is less than 50% of Spouse A's monthly benefit of $2,400. Social Security supplements Spouse B's $500 individual monthly benefit with a monthly spousal benefit of $700. This increases Spouse B's total monthly benefit from $500 to $1,200, or 50% of Spouse A's benefit.

Scenario 2: Spouse B is eligible to receive an individual monthly benefit amount of $1,000 – Spouse B's individual benefit is still less than 50% of Spouse A's $2,400 monthly benefit. Social Security still pays a spousal benefit, but it's only $200 monthly. Less of a supplement is required to bring Spouse B's monthly benefit amount into parity with 50% of Spouse A's monthly benefit.

Scenario 3: Spouse B is eligible to receive an individual monthly benefit of $1,500 – No supplemental spousal benefit is paid because Spouse B's individual benefit is greater than 50% of Spouse A's $2,400 monthly benefit.

Scenarios 1, 2 and 3: How individual benefits affect spousal benefits



When Spouse B's benefit based on his or her individual earnings history is less than 50% of Spouse A's monthly benefit, Spouse B will receive his or her own benefit PLUS an additional amount so that the total benefit Spouse B receives is half of Spouse A's benefit.

Filing strategy matters

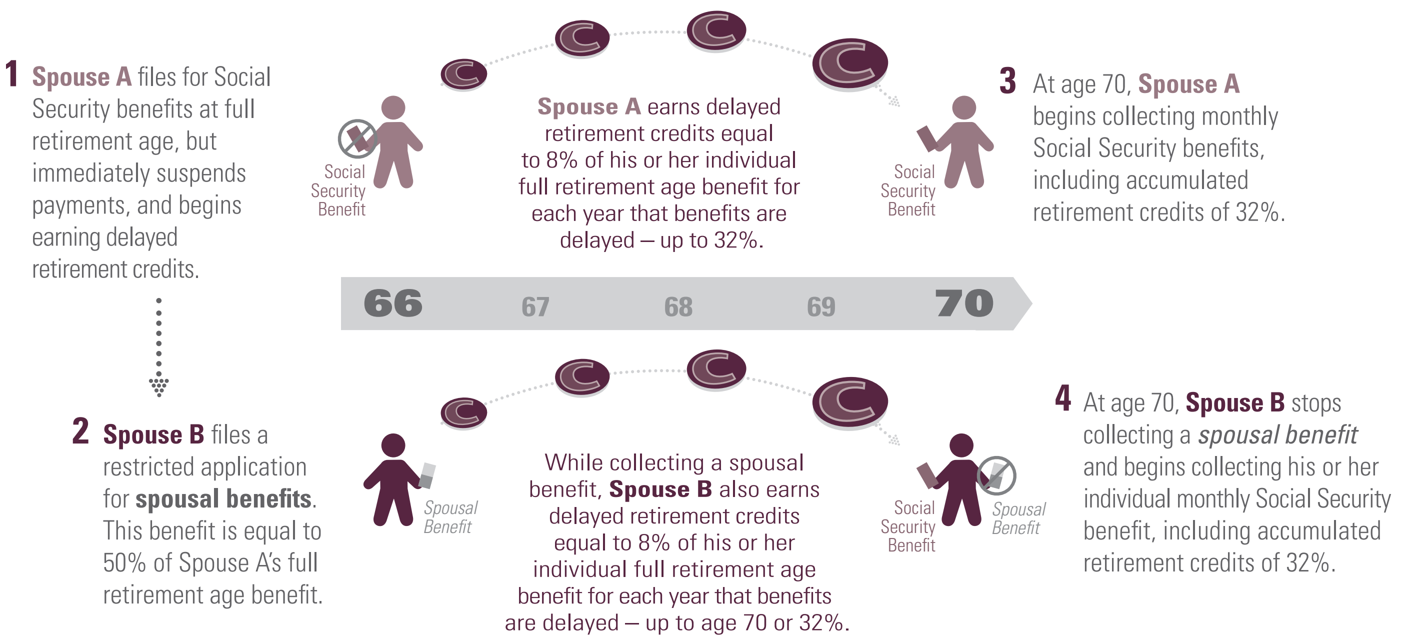
Specific rules and filing strategies are available to people who are (or were) married that can help maximize the value of their Social Security retirement benefits. It's important to understand how these rules and filing strategies can affect the benefits you receive as a couple. Choosing the "right" filing strategy could make a substantial difference in benefit payments during retirement.

Two examples

The following examples help illustrate the difference that filing strategy can make for a hypothetical married couple. We'll assume that both spouses are eligible for an individual benefit and that Spouse A has been the more consistent wage earner. We are also assuming that Spouse B's benefit with delayed retirement credits is more than half of Spouse A's benefit.

Filing Strategy 1: Suspend and Restrict[9]

By filing for Social Security benefits using a combination of strategies, Spouse A opens the door for Spouse B to begin collecting spousal benefits.



In this example, the Suspend and Restrict filing strategy makes it possible for:

- Spouse B to begin receiving monthly benefits at age 66;
- Both spouses to benefit from delayed retirement credits;
- The couple to maximize monthly benefits while both are alive; and
- The surviving spouse to receive a more generous benefit when one spouse dies.

[9] Source: Social Security Administration, Retirement Planner: Suspending Retirement Benefit Payments, http://www.socialsecurity.gov/retire2/suspend.htm

Filing Strategy 2: Both spouses file for benefits at age 62

With this filing strategy, both spouses file for their individual benefits as soon as they become eligible at age 62 – four years before their full retirement age of 66.

Spouse A and **Spouse B** file for their individual Social Security benefits at age 62, four years before reaching full retirement age. Monthly benefits are 25% lower than they would have been at 66.

By filing early, Social Security monthly benefits are permanently reduced.

In this example, both spouses file for benefits before reaching full retirement age. This results in:

- Benefit payments that start at age 62 for both spouses – possibly a good choice if there are health issues and the expectation of a reduced life expectancy early in retirement;
- An annual benefit amount that is 25% lower than the amount they would have received had they waited until full retirement age to claim their benefits;
- Potential benefit withholding if either spouse is still working before reaching full retirement age and income exceeds Social Security earnings test limits;
- No ability to earn delayed retirement credits; and
- A potentially smaller benefit for the surviving spouse when one spouse dies than would have been payable had both spouses filed at full retirement age.

Are you currently divorced?

If you are divorced and your marriage lasted 10 years or longer, you can receive benefits based on your ex-spouse's record (even if he or she has remarried, provided your former spouse is eligible to receive benefits). You must also meet the following criteria:

- You currently must be unmarried;
- You must be at least age 62.

The maximum spousal benefit is 50% of the amount your ex-spouse would receive at their full retirement age. Collecting benefits that are based on an ex-spouse's record will not affect his or her benefit in any way.

Different rules may apply if your ex-spouse is deceased. Learn more about benefits for divorced spouses at the Social Security website.[10]

Are you a widow or widower?

The Social Security Administration estimates that nearly 5 million widows and widowers are receiving monthly Social Security benefits based on their deceased spouse's earnings record. For many of those survivors, these benefits account for a significant portion of their financial security.

A widow's or widower's benefit is 100% of the survivor benefit or their benefit, whichever is greater. A widow or widower could receive:

- Reduced benefits as early as age 60 or full benefits at full retirement age or older;
- Benefits as early as age 50 if he or she is disabled **and** the disability starts before or within seven years of your death.

If a widow or widower remarries after reaching age 60 (age 50 if disabled), the new marriage will not affect eligibility for survivors benefits. A widow or widower who has not remarried can receive survivors benefits at any age if he or she cares for the deceased spouse's child. That child must be under age 16, or disabled and receiving benefits based on the deceased spouse's record.[11]

[10] Source: Social Security Administration, Retirement Planner: Benefits for Your Divorced Spouse, http://www.socialsecurity.gov/retire2/yourdivspouse.htm

[11] Source: Social Security Administration, Retirement Planner: Survivor Benefits for Your Widow or Widower, http://www.socialsecurity.gov/survivorplan/onyourown2.htm

Working after you begin collecting

You can keep working after Social Security retirement or survivors benefits begin. If you are at full retirement age or older, there is no reduction of your Social Security benefits, regardless of how much you earn from work.

Before your full retirement age, earnings are subject to an "earnings test." If your income exceeds a specified amount, Social Security will withhold all or a portion of your benefits. The income limits for 2015 are shown in the chart below. These numbers are indexed each year for inflation.

Income limits for 2015

Social Security withholds $1 for every:	You earn above:	
$2	$15,720/year	In calendar years before you reach full retirement age
$3	$41,880/year	In the calendar year in which you reach full retirement age

These limits are for 2015. For more information, visit the Social Security website.[12]

Benefits withheld are not lost

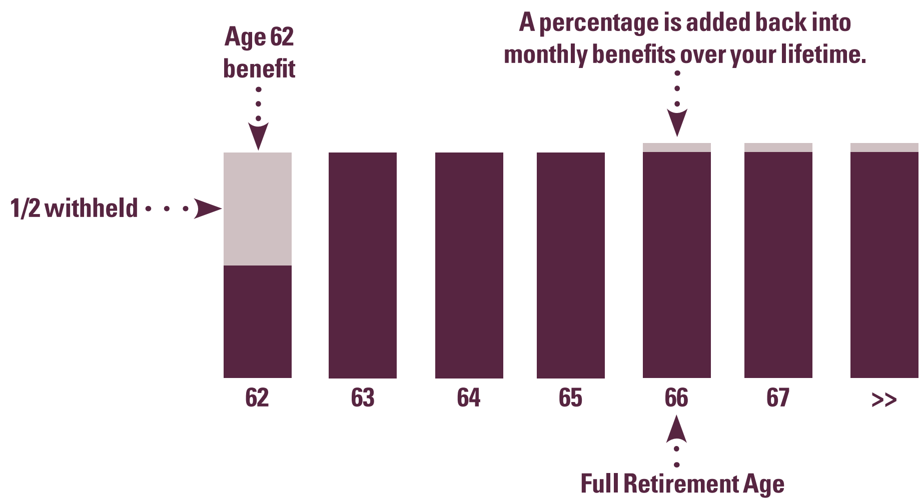
If Social Security benefits are reduced or withheld because of money you earned after you started receiving benefits but before you reached your full retirement age, that money isn't gone forever. When you reach full retirement age, Social Security will increase your monthly benefit to account for payments that were withheld due to those earlier earnings. Once you reach your full retirement age, the earnings test no longer applies to any earnings you receive.[12]

Example

Let's say that you are eligible for monthly Social Security benefits at age 62, and begin collecting those benefits. You continue to work, and then retire at age 63. During this year, you've earned enough so that half your benefits are withheld.

Once you reach full retirement age, Social Security recalculates your benefit, adding back a percentage of the withheld benefits into your monthly benefit amount. The restored benefits are paid back in equal increments over the rest of your life.

Example: Withheld benefits are added to your monthly benefit at full retirement age



[12] Source: Social Security Administration, Retirement Planner: Getting Benefits While Working, http://www.socialsecurity.gov/retire2/whileworking.htm

If you don't pay Social Security taxes

Windfall Elimination Provision

The Windfall Elimination Provision (WEP) primarily affects people who work for an employer that does not withhold Social Security taxes from workers' salary, such as a government agency.

Any pension you receive that is based on this work may reduce your Social Security benefits. Social Security uses a modified formula to calculate your benefit, which results in a lower Social Security benefit than you would receive otherwise.

Government Pension Offset (GPO)

If you receive a pension from a federal, state or local government based on work where you did not pay Social Security taxes, your Social Security benefits as a spouse, widow or widower may be reduced.

The Social Security Administration website has full details about each of these important provisions. To learn more about WEP and GPO provisions, visit: www.socialsecurity.gov/gpo-wep/.

Next steps

Set up a personal Social Security Account

The Social Security Administration website is a valuable source of information – whether you are still working or already receiving Social Security benefits. The site makes it easy to create a personal *My Social Security* account that allows you to review your personal Social Security Statement. This statement provides:

- Estimates of your retirement, disability and survivors benefits;
- Your earnings record; and
- The estimated Social Security and Medicare taxes you've paid.

To set up your personal account, visit: www.socialsecurity.gov/myaccount/.

Contact your financial professional

We're here to help! Your financial professional is available to help you explore and assess filing strategies within the context of your overall retirement plan.

For more information, copies of publications or to set up your own account, visit the Social Security Administration website at www.socialsecurity.gov or call toll-free at 1-800-772-1213 (deaf or hearing impaired, call TTY number, 1-800-325-0778).

The information provided is not written or intended as specific tax or legal advice. MassMutual, its employees and representatives are not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel.

Final decisions about Social Security filing strategies always rest with you and should always be based on your specific needs and health considerations.

It is important to acquire as much information as possible in order to make an informed Social Security claiming decision because one year after the Social Security claiming decision is made, it cannot be changed.

Some people, such as State and Local Government workers, may be subject to the "Government Pension Offset" and the "Windfall Elimination Provision" which could decrease their Social Security Benefits.

The Social Security program was created by an Act of Congress. It is subject to change. In the past, Congress has made changes to the law which has had an impact on Social Security benefits. Congress can make changes to the law at any time, which might impact benefits in the future.

Resources for more information on Social Security

Detailed information is available by visiting the Social Security Administration website at www.socialsecurity.gov. You can call the Social Security Administration toll-free at 1-800-772-1213. If your hearing is impaired the TTY number 1-800-325-0778.

Social Security Administration (SSA) Publications

For additional information on the topics addressed in this guide, you also can order the following publications directly from the Social Security Administration.

Social Security – Understanding the Benefits, 2014

SSA Publication No. 05-10024

ICN 454930

When to Start Receiving Benefits, 2014

SSA Publication No. 05-10147

ICN 480136

Your Retirement Benefit: How It Is Figured, January 2014

SSA Publication No. 05-10070

ICN 467100

What You Need To Know When You Get Retirement or Survivors Benefits, 2014

SSA Publication No. 05-10077

ICN 468300

Survivor Benefits, 2014

SSA Publication No. 05-10084

ICN 468540

How Work Affects Your Benefits, 2014

SSA Publication No. 05-10069

ICN 467005

Windfall Elimination Provision, 2014

SSA Publication No. 05-10045

ICN 460275

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