

Social Security

2027 Updates & Retirement Review

GO DIGITAL



Disclaimer

- The information is current at the time of the presentation (October 2026), but Social Security policy is subject to change.
- Please visit www.ssa.gov for up-to-date information on our programs.



Agenda

- Contacting Social Security & *my* **Social Security**
- ***New!*** 2027 COLA: Updated Figures
- Retirement Benefits Review
- Claiming Benefits



Contacting Social Security

- Online @ www.ssa.gov
- 1-800-772-1213 M-F 8a-7p
- Local offices by appointment M-F 9a-4p www.ssa.gov/locator

24/7 Automated Phone Services:

- Benefit verification
- Claim status
- Change Address
- Replacement Medicare card
- Ask for SSA 1099

Note: Individuals with dire/urgent need may walk in for service.



my Social Security: Login.gov or ID.*me*

- Already have a Login.gov or ID.*me* account? Sign in to connect.
- Only one person can use an email address.
- Local SSA offices are unable to assist with account creation.
- See videos on how to create accounts @ www.ssa.gov/myaccount.





2027 Social Security Changes





2027 Cost of Living Adjustment (COLA)

- **Social Security and SSI benefits for more than 76 million American's will increase by 3.6% in 2027.**
  - Begins with Social Security benefits payable in January
  - Increased SSI payments begin on December 31, 2026
- The Social Security Act provides for how the COLA is calculated:
  - Based on the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the 3rd Qtr of the last year COLA was determined to the 3rd Qtr of the current year.
  - If there is no increase, there is no COLA.

www.ssa.gov/cola



New! 2027 COLA Facts

- FICA: (No Change) 7.65%/15.30% (SEI)
  - OASDI= 6.2% up to taxable max
  - Medicare HI= 1.45% on all earnings
- Other Updates
  - Maximum Taxable Earnings- $192,300
  - Quarter of Coverage (Credit)- $1,970
  - Annual Earnings Limits- $25,560/$67,920
  - Substantial Gainful Activity (non-blind)- $1,770
  - SSI Federal Benefit Rate- $1,029/$1,544

www.ssa.gov/news/en/cola/factsheets/2027.html



Estimated Average Monthly Benefits

	2026	2027
Disabled Workers	• $1,642	• $1,701
Aged Widow/er	• $1,936	• $2,005
Aged Couple	• $3,238	• $3,355
Retired Workers	• $2,095	• $2,170
Maximum Social Security Benefit for Worker at FRA:	• $4,152	• $4,188



my Social Security: COLA Notice

- View the COLA notice online starting in late November – 3 weeks earlier than receiving in the mail
- Create a *my* **Social Security** account @ www.ssa.gov/myaccount by November 18th to see the online notice.
- Individuals not enrolled in paperless notices will receive their one-page COLA notice by mail in December.
- 2027 Medicare premium amount will be available via *my* **Social Security** message center starting in late November.



Retirement Benefits Review





How Retirement Benefits Work

- Most employers withhold FICA so you earn credits needed to qualify for retirement insurance benefits, disability insurance and/or Medicare.
- The tax you pay is sed to pay benefits to retired and disabled workers, dependent spouses and children of beneficiaries and survivors of deceased workers.
- Social Security can replace a percentage of your pre-retirement income- based on your highest 35 years of earnings.
- Your age at retirement affects the monthly benefit amount.
- Some dependents receive monthly benefits on your work when you retire.



Your Social Security Taxes

- ***New!*** You pay a FICA tax based on your earnings, up to $192,300 in 2027. ($184,500 in 2026)
  - FICA = Federal Insurance Contribution Act
- You pay Medicare tax on all your wages or net earnings from self-employment- no taxable maximum!

If you work for someone else	Social Security Tax	Medicare Tax
You pay	6.2%	1.45%
Your Employer Pays	6.2%	1.45%

If You're Self Employed	Social Security Tax	Medicare Tax
You Pay	12.4%	2.9%



Qualifying for Retirement

- Earn “credits” when you work and pay Social Security tax (FICA) on wages.
- Must have 40 credits (earned anytime)
- Be 62 or older to claim a benefit
- ***New!*** Each $1,970 in FICA earnings gives you one credit. ($1,890 in 2026)
- You can earn a maximum of 4 credits per year ($7,880 yr)
- Find out if you have 40 credits in your *my* **Social Security** account.

www.ssa.gov/benefits/retirement/planner/credits.html



How Social Security Calculates the Benefit

Benefits are based on earnings:

Step 1 – We adjust or "index" your FICA wages to account for changes in average wages over time.

Step 2 – We calculate your average indexed monthly earnings (AIME) during the 35 years in which you earned the most.

Step 3 – We apply a formula and arrive at your Primary Insurance Amount (PIA) aka *Full Retirement Amount (FRA).*

www.ssa.gov/OACT/COLA/Benefits.html



PIA Computation

- The PIA formula reflects changes in general wage levels- using the national average wage indexing series.
- Wages are indexed to reflect change in general wage levels occurring during workers years of employment. www.ssa.gov/OACT/COLA/AWI.html
- The percentages of AIME in the PIA formula are fixed by law, but the dollar amounts in the formula change annually with changes in the national wage index.
- These dollar amounts are called bend points and govern the portions of the AIME used in the calculation.
- ***New!*** The bend points in the year 2027 PIA formula $1,340 and $8,077 apply for workers becoming eligible (turning 62) in 2027.



2027 Retirement Benefit Computation

2027 Bend Points

If your average monthly earnings are = $8,000

Then your monthly benefit would be = $3,361(PIA)

Average Monthly Earnings = $8,000

90% of First.....	**$1,340** is **$1,206**
32% of Earnings over $1,340 through $8,077... ($8,077 - $1,340 = $6,737)	**$6,737** is **$2,155**
15% of Earnings over $8,077.....	**$0** is **$0**

$8,000 = $3,361 (PIA)

**Payments rounded to whole dollar amounts*



Retirement Age Affects Benefit Amount

- **Reduced benefit**
  - As early as age 62, until FRA
  - Permanent reduction
  - Annual earnings limit

- **Full Retirement Age (FRA)**
  - Unreduced, 100% benefit or PIA
  - No earnings limit

- **Delayed Retirement**
  - 8% added to benefit for each full year, up to age 70
  - Permanent increase
  - DRC's increase benefit paid to surviving spouse

www.ssa.gov/pubs/EN-05-10147.pdf



More on Delayed Retirement Credits

- DRC's increase retirement benefits by two-thirds of 1% per month (8% per year) for each month you delay claiming your benefit after your FRA- up to age 70.
- Applies to months beginning the month the worker attains FRA and ends the month before reaching 70.
- The benefit adjustment is applied annually in January after FRA, and also in the month you turn 70 if you delay that long.
- DRC's only apply to your own benefit.



my Social Security: Retirement Calculator

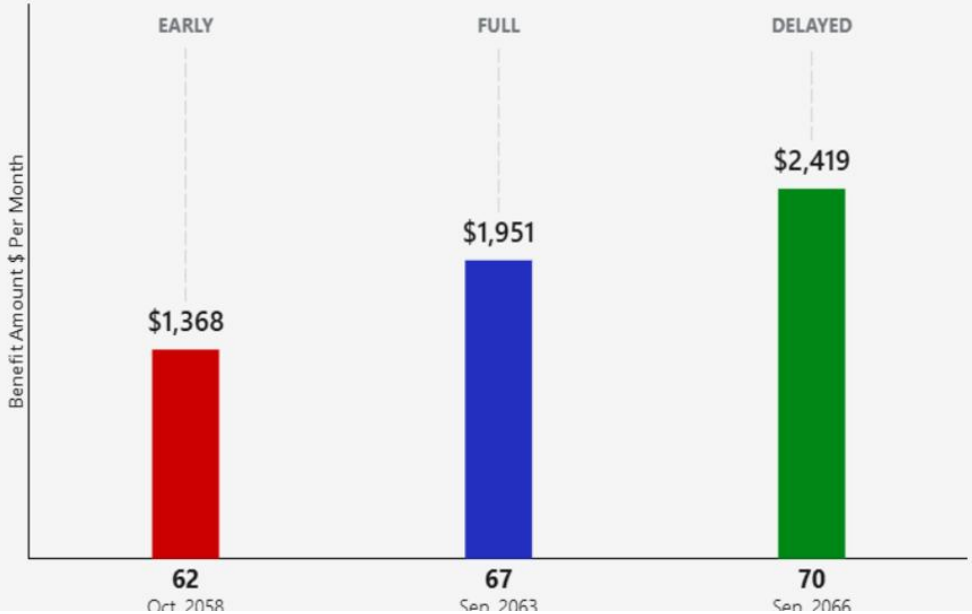
Retirement Calculator

Use the Retirement Calculator to estimate your monthly Social Security Retirement Benefit at different claiming ages or to see how a future change in income could impact your benefits.

Your monthly benefit at your Full Retirement Age (FRA) of 67 is $1,951

Learn more about early, full, and delayed retirement ages

Chart View | Table View



My Calculations

Add up to three custom calculations

Add Calculation

When do you want your retirement benefits to begin?

Age | Date

Age: -- Months: 0

You can start your monthly benefits any time between age 62 and 70.

Calculate

Annual Income

$45,200 (Last reported)

Social Security benefits are based on your lifetime earnings.

Learn more



How Work Affects Benefits

- Working and earning more than certain limits if you are under your FRA and collecting your retirement benefit may cause a reduction in your monthly amount.
- Earnings Limit applies for benefit you receive on your own record, or as a spouse/widow(er)
- You will pay FICA tax if you work, even if also collecting Social Security benefit.
- If latest year of earnings is a high year, the increase due is automatically refigured- retro to January. www.ssa.gov/oact/NOTES/as115/as115_IIIE.html



New! 2027 Annual Earnings Limits

Yearly Earnings Limit Applies Until FRA

If you are	In 2027, you can earn up to	If you earn more, some benefits will be withheld
Under Full Retirement Age	$25,560/yr. 2026 = $24,480/yr	$1 for every $2 earned above the limit
The Year Full Retirement Age is Reached	$67,920/yr. before month of FRA 2026= $65,160/yr	$1 for every $3 earned above the limit
Month of Full Retirement Age and Above	No Limit	No Limit



Applications Ask About Dependents

- Applications screen for possible dependent benefits payable to:
  - living spouses,
  - widows and widowers, and
  - children (minors up to 19 if in high school and disabled adult children)

- Spouses who never worked or have low earnings of their own may get up to half (50%) of their living spouses FRA amount.

- For children: If parent is getting SSDI or retirement: up to 50% of parent's monthly benefit amount. (Up to 75% if parent is deceased).



Living Spouses

- Qualify for spouse benefit if own FRA amount is less than half of spouses FRA amount, and:
  - you are 62+ *(or caring for young or disabled children),*
  - married at least one year, and spouse is already collecting
- **You'll receive the higher benefit amount: either based on your own work record, or up to 50% of your spouses FRA amount.**
- Benefit amount is permanently reduced if you collect before FRA.
- Annual earnings limit applies until FRA
- **To claim as an ex-spouse,** you must be unmarried, and at least 62. Your marriage must have lasted 10+ years. The ex does not have to be collecting their benefit yet.

www.ssa.gov/family



No Spouse Benefit Payable

Bill's Social Security benefit at his Full Retirement Age (FRA)	= $2,300/month
Linda's retirement benefit on her own work record at her FRA	= $1,800
Linda's max spouse benefit (50% of Bill)	= $1,150
Linda's Social Security benefit	= $1,800

The higher benefit amount is based on Linda's own work.



Combining Benefits

Frank's Social Security benefit at his FRA	= $2,500/month
Karen's benefit on her own work at her FRA	= $800
Karen's max spouse benefit at FRA *(50% of Frank)*	= $1,250

$450 is added to Karen's own $800 to combine benefits and pay her 50% of Frank's FRA.

Karen's **"Combined"** Social Security benefit at FRA	= $1,250



Surviving Spouses

- Minimum age = 60, age 50-59 if disabled, or any age if caring for young or disabled children of the deceased.
- Surviving spouse receives 100% of deceased spouse's benefit if FRA or older when claiming.
  - At age 60, receive 71.5% of the deceased
  - The percentage is greater/benefit higher the older the surviving spouse is when they claim (up to FRA) https://www-origin.ssa.gov/survivors.
- Annual earnings limit applies until FRA.
- Remarriage after age 60 (50 if you have a disability) won't prevent you from getting benefits based on your former spouse's work.
- Surviving spouse who is 62+ can choose to draw their own retirement or survivor benefit instead.



Example

Bill dies (Age 90)	= $2,300
Linda (Age 88) gets own SSA benefit	= $1,800
Linda's New Social Security Benefit as a widow	= $2,300

Since Bill's benefit is higher, and she is at least FRA, Linda will collect the higher benefit amount.

https://www-origin.ssa.gov/survivors



Lump Sum Death Benefit

- When an insured worker dies, the surviving spouse may be entitled to a one-time lump sum death benefit of $255.
  - If no spouse, the payment may be made to a child receiving benefits on the deceased's record.
- Originated in 1935 to address the loss of income for families of workers who died before age 65 (collection of benefits) because there was no survivor benefit provision.
- Originally equal to 3.5% of the worker's covered earnings- about $96.00.
- **Since 1954 the amount of the LSDB has been fixed at $255.**



Is Social Security Taxable?

- **File as an individual** and your *combined income* is
  - between $25,000 and $34,000, may pay tax on up to 50% of your benefits.
  - more than $34,000, pay tax on up to 85% of your benefits.

- **File a joint return**, with a *combined income* that is
  - between $32,000 and $44,000, may pay tax on up to 50% of your benefits
  - more than $44,000, pay tax on up to 85% of your benefits.

- Combined income includes adjusted gross income + nontaxable interest, and ½ of your annual Social Security benefits. See IRS.gov Pubs 554 and 915.

- Request federal tax withholding directly from Social Security payments through the *my* **Social Security** account.



Claiming Benefits

File online for Retirement, Spouse, Disability, or Medicare @ www.ssa.gov

Schedule phone appointment 1-800-772-1213,
8 a.m. – 7 p.m. Monday through Friday.

- Applications are typically processed within 4-6 weeks.
- Apply up to 4 months before you want your first payment.



New! National Appointment Calendar

- In April 2025, SSA launched a pilot for a national appointment calendar to schedule and share appointments.
  - In August 2026, the pilot expanded to include Ohio.
  - Currently, 20 states participate.
- Individuals living in the pilot states may self schedule online @ www.ssa.gov. ***Note:*** Customers are NOT required to have a *my* **Social Security** account, but they must successfully credential through Login.gov or ID.*me* and consent to electronic messaging.



Social Security in the Future

- The two Social Security trust funds – Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) – will be able to pay all benefits in full and on time until 2034.
- **The trust funds have come close to running out of asset reserves in the past, but Congress made substantial changes to prevent this.**
- If Congress does not act before 2034, the trust funds will still be able to pay 83% of scheduled benefits.
- See Social Security's actuarial site for more on proposals change the Social Security and/or SSI programs, COLA, benefit calculators and more: www.ssa.gov/OACT/ .

www.ssa.gov/OACT/



SSA.gov

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