

Solutions, Strategies, Answers

*Newsletter of the Social Security Administration Offices in
Bucks, Chester, Delaware, Lehigh, Monroe, Montgomery, Northampton, and Philadelphia counties*



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Welcome to the July 2022 edition of *Solutions, Strategies, Answers*,
a newsletter produced by the 18 Social Security Administration offices in southeastern Pennsylvania.

Social Security Trustees Report Projects Improved Outlook for Combined Trust Funds

The Social Security Board of Trustees recently released its annual report on the financial status of the Social Security Trust Funds. The combined asset reserves of the Old-Age and Survivors Insurance and Disability Insurance (OASI and DI) Trust Funds are projected to become depleted in 2035, one year later than projected last year, with 80 percent of benefits payable at that time. The OASI Trust Fund is projected to become depleted in 2034, one year later than last year's estimate, with 77 percent of benefits payable at that time. The DI Trust Fund asset reserves are not projected to become depleted during the 75-year projection period.

In the 2022 Annual Report to Congress, the Trustees announced:

- **Asset reserves of the combined OASI- DI Trust Funds declined by \$56 billion in 2021 to a total of \$2.852 trillion.**
- **The total annual cost of the program is projected to exceed total annual income in 2022 and remain higher throughout the 75-year projection period. Total cost began to be higher than total income in 2021. Social Security's cost has exceeded its non-interest income since 2010.**
- **The year when the combined trust fund reserves are projected to become depleted, if Congress does not act before then, is 2035 – one year later than last year's projection. At that time, there would be sufficient income coming in to pay 80 percent of scheduled benefits.**

Other highlights of the report include:

- During 2021, an estimated 179 million people had earnings covered by Social Security and paid payroll taxes.
- Social Security paid \$1.133 trillion in benefits in 2021. There are currently over 65 million beneficiaries.
- The trust fund asset reserves earned interest at an effective annual rate of 2.5 percent in 2021.
- It cost \$6.5 billion to administer the program in 2021, a very low 0.6 percent of total expenditures.
- The projected actuarial deficit over the 75-year long-range period is 3.42 percent of taxable payroll – lower than last year's projection of 3.54 percent.
- Total income, including interest, to the combined OASI and DI Trust Funds amounted to \$1.088 trillion in 2021. The breakdown was \$980.6 billion from net payroll tax contributions, \$37.6 billion from taxation of benefits, and \$70.1 billion in interest.

You can see the 2022 Trustees Report at www.socialsecurity.gov/OACT/TR/2022/.



“Independence” Can Take Many Forms

So once again it's the familiar - fireworks and cookouts, parades and fancy hats, as we celebrate our 246th birthday. Yet, “independence” as a concept can mean different things to different people. For those of us who are employed, a job can bring a degree of financial “independence.” But for people with a disability, work especially can be a “freeing” agent that allows them to reach goals, to achieve all they can.

The Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs include a number of employment support provisions commonly referred to as “work incentives.” The work incentives provisions provide the assistance people need to move from benefit dependency to independence. These incentives help people to enter, re-enter, or stay in the workforce by protecting their eligibility for cash payments and/or health care until they achieve certain goals.

One of the best ways to learn about work incentives is **The Red Book**. It's a general reference tool designed to provide a working knowledge of these provisions. Find out about the Trial Work Period, the Extended Period of Eligibility, the Student Earned Income Exclusion, Medicaid While Working, and a lot more.

You can view **The Red Book** on our website at:
<https://www.ssa.gov/redbook/index.html>

And one more thing ... “Happy Independence Day to All!”

Benefits for Widows and Widowers: Things You Should Know

Over 3.8 million widows and widowers receive benefits on the work record of their deceased spouse. There are some unique aspects to this benefit, so let's review them now.

* For a surviving spouse who does not have a child under age 16, the minimum age to collect is 60. The survivor can be entitled at a younger age if caring for an under-16 child.

* The widow/er can receive anywhere from 71.5 to 100 percent of the deceased spouse's full benefit. The percentage is determined by the age of the surviving spouse when filing, in situations there is no under-16 child.

* The Full Retirement Age (FRA) schedule for surviving spouses differs from the schedule for a person's own retirement benefit. See the survivor schedule here:
<https://www.ssa.gov/benefits/survivors/ifyou.html#h6>

* Unlike spouses in “life” cases, surviving spouses are not required to first file for their own retirement if they are age 62 or older. This means they can strategize and just take the survivor benefit, leaving their own retirement benefit to grow percentagewise; then they can file for the retirement benefit anytime up to age 70.

* Keep in mind that if the widow/er is working and has not yet reached his/her own full age, their earnings could impact whether they can receive now. See the earnings limits at:
<https://www.ssa.gov/benefits/retirement/planner/whileworking.html>

* For an overview of survivors benefits, go to:
<https://www.ssa.gov/benefits/survivors/#anchorinfo>

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