Solutions, Strategies, Answers

Newsletter of the 18 Social Security Administration offices in Bucks, Chester, Delaware, Lehigh, Monroe, Montgomery, Northampton, and Philadelphia counties

July 2023 **Issue 133**

Living Arrangements & SSI

There are two categories of recipients who receive the monthly needs-based **Supplemental Security Income (SSI)** benefit. A person who meets the income and asset limits would have to either be aged (*65 or older*) or disabled.

One of the eligibility factors for receiving SSI is a person's living arrangement. **If a recipient lives in his/her own home or apartment** and pays the full shelter and food costs, that person would be due the maximum SSI benefit. The maximum benefit for an individual is $914 monthly if they have no other countable income.

A person who lives in someone else's household would also receive the maximum amount if he/she is paying a proportionate share of shelter and food costs. So, let's say a SSI recipient lives with three other relatives and the total monthly shelter and food costs are $1,600. To pay a proportionate share, the recipient would have to be contributing $400 per month (*one-fourth of the total*) to the head of the household.

However, if the SSI recipient in the above example was contributing $350 monthly, that would mean the recipient is "receiving" in-kind support and maintenance of $50 monthly. That $50 would be considered income under SSI rules and would be deducted from the SSI benefit amount.

There is a limit to how much a person's SSI benefit can be reduced because they receive in-kind support and maintenance. A person's benefit can never be reduced by more than one-third of the full rate of $914. So, even if a SSI recipient pays nothing for shelter and food, the in-kind support and maintenance "income" charge would never exceed $304.66 (*which is one-third of $914*).

Of course, there are many other types of living situations, such as when people are hospitalized, institutionalized, or experiencing homelessness. You can learn more at: SSI Spotlight on Living Arrangements (ssa.gov)

Those Nagging "What If" Questions

Sometimes after people start receiving their Social Security **retirement benefits**, they wonder if they made the "right" decision. *Should I have waited to get a higher benefit percentage? Is there anything that I could do now to increase my amount? Can I stop everything and start over? What if I go back to work? Why is the sky blue?* Oops, sorry, that last one just snuck in there.

So, what are your options once you start benefits?

What If you recently started receiving but want to cancel everything? You can ***withdraw*** your claim if no more than 12 months have passed since your benefits began. You will have to repay all benefits received. You can only withdraw once, so later when you file again, it will be permanent.

What if you wish to increase your benefit percentage? Suppose you started receiving before your Full Retirement Age (FRA) and are therefore receiving a reduced benefit. Once you reach FRA but are not yet 70, you can ***voluntarily suspend*** your benefit. During the suspension period, you will be earning delayed retirement credits at a rate of 8 percent yearly. When you eventually tell us to resume payment, your percentage will be increased based on the number of months you were not paid. Note that during periods of suspension, benefits to any others (*your spouse, children*) on your record will also be suspended; and you cannot collect on someone else's record (*e.g., a spouse).*

What if you return to work? If you have reached FRA, you receive all your benefits regardless of earnings. If you are younger than FRA, there are various limits. But the good thing here is your new earnings may increase your benefit starting with the next year. Benefits Planner: Retirement | Receiving Benefits While Working | SSA

Born on the First of July

Ok, ok, calm down all you Yankee Doodle fans! We know that it's the fourth day of the month that gets all the attention. But, in the land of Social Security, it's the **first day of a month** that has a certain specialness about it.

Maybe it's a homage to our founding fathers' roots across the pond, but Social Security follows English common law. That centuries-old legal system holds that a person **attains** an age on the day *before* his/her birthday.

For example, someone born July 1, 1958, will attain age 65 on June 30, 2023. And what is the practical significance of that? Well, in this example it would make the person eligible for Medicare beginning with June rather than having to wait until July. *(The eligibility age for Medicare is 65, and you have coverage throughout the month regardless of what day of the month you attain age 65.)*

This attainment-age rule also has implications for cash Social Security benefits as well. Retirement, spousal, and surviving spouse benefit percentages are based on a person's age when they start receiving. The "older" a person is, the higher the benefit percentage will be. So, for example, someone born in 1960 who starts retirement benefits at the attainment age of 62 & 7 months rather than at 62 & 6 months will receive 72.9% of their full benefit rather than 72.5 percent. Again, in this case, it's good to be "older."

And speaking of age, the U.S. will celebrate its 247th birthday this year. But since it is born on the 4th and not the 1st, it will have to wait till next year to hit 248! Enjoy!

"You have to love a nation ...

that celebrates its independence ... not with a parade of guns, tanks, and soldiers who file by the White House in a show of strength and muscle, but with family picnics where kids throw Frisbees, the potato salad gets iffy, and the flies die from happiness."

- The late American humorist Erma Bombeck

To subscribe to *Solutions, Strategies, Answers*, contact Richard.Gaudiosi@ssa.gov or Jessica.M.Silvent@ssa.gov

The Long & Winding Road ... of the Medicare Enrollment Process

Now that AI is coming out with a new arrangement by the Fab Four, we wondered if ChatGBT could also explain the Medicare enrollment process for people who work past 65. But then we thought, hey, why do we need that when we can cover it on our own right here!

We do get a lot of questions about the sequence of things that people need to do **when they keep working past 65 and are covered medically by their employer**. Here's our answers:

Part A – Hospital Insurance Part A helps cover inpatient care costs in hospitals and skilled nursing facilities. Most people do not have to pay a monthly premium. You can file for it beginning three months before your 65th birthday month. People who want to continue to participate in a Health Savings Account (HSA) at work should not file for Part A, as IRS rules do not allow you to have Medicare and a HSA; because A can be retroactive for up to six months, people usually stop their HSA six months before they want to get both Part A and cash Social Security. You can file online or call 1-800-772-1213 to set up a phone or in-office appointment. [Sign up for Medicare | SSA]

Part B – Medical Insurance Part B helps cover doctors' services, outpatient care and other services. There is a monthly premium, so you must be strategic in signing up. If you are actively working past 65 and covered medically by an employer with at least 20 employees, you can delay filing for B. Doing so will keep you from paying in two places for medical coverage – to your employer (*whose coverage will be primary*) - and to Medicare (*which would be secondary*). Usually, just having the employer coverage is sufficient while still working.

When you stop actively working, you have eight months to enroll in Part B. If you miss the eight-month period, you will most likely have to wait until the next year to enroll. To enroll timely, you complete form CMS-40B and your employer completes form CMS L-564. [Social Security Forms | Social Security Administration (ssa.gov)]

And after you do all this, you can sit back, relax, and just Let It Be!