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**Deaf in Government Financial Literacy Webinar Series**

**Part 2: SSI and SSDI**

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>> Brianne Burger: Hello, everyone!

I'm Brianne Burger, with Deaf in Government, DIG. We are here to bring you part 2 of our series of our financial literacy webinar series that we are currently hosting with Kramer Wealth Managers.

And we're thrilled and excited for you to be joining us this evening.

So, if you remember, last time, our conversation was about federal retirement. This part 2 of the series, we'll be talking about Social Security, which I'm sure everybody is aware of, SSI, Social Security Income, and we'll also be talking about SSDI. So everything that is encapsulated within Social Security. So I want to welcome everybody here today and I also want to welcome and give gratitude to our sponsors for tonight's event.

Without further ado, I'm going to introduce Ms. Stephanie Summers and Mr. Jeremiah Thompson!

>> Stephanie Summers: Hello.

>> Brianne Burger: Thank you so much for being with us this evening, we really appreciate this.

>> Jeremiah Thompson: Hello, hello, everyone!

So we're here tonight to share information about Social Security benefits. Like Brianne mentioned, we are providing a series of 4 webinars. We already did the one on FERS retirement benefits last month, and of course tonight is Social Security benefits. I'll be expanding more on that.

And I want to mention that this particular workshop is focused on federal employees, and federal employees typically have three sources of retirement income. First, which we talked about last month, Social Security, which we're talking about today, and then the Thrift Savings Plan, which we'll be covering during next month's webinar. So it's important that we're covering all three topics separately.

So, what do you need to know about your Social Security benefits?

There are two important questions to consider the answers for. The first is, you want to know the amount of benefits you can expect for your Social Security to be when you do apply for benefits, and the second question is at what age should you start applying for benefits, should you start drawing on Social Security. So in this PowerPoint we'll be touching on those two questions, and of course a lot will depend on your individual situation.

I'm going to go over four different types of Social Security and when you might consider starting to draw on those benefits. So there are different strategies depending on your age. So the first one is Social Security Disability Income, which is SSDI. SSDI can be started at any age, as long as you have paid in at least 40 credits into the Social Security system.

The second option is for filing non-disability benefits, regular retirement benefits. The earliest age that you could start would be age 62. And then the third option is to wait until your full retirement age, which we often refer to, and the Social Security Administration refers to, as FRA. That is somewhere between age 66 and 67, and it depends on the year you were born.

The last option is that you can delay your retirement benefits and apply for Social Security as late as age 70. So you can really apply anywhere within that rage for retirement, between 62 and 70.

So, why is this such an important decision, determining when you should claim your benefits?

Well, when you decide to claim benefits can significantly impact how much money you get, and it also determines your overall retirement income. So we can have a big benefit to add those. Also, if you're married when you file can actually impact your spouse and their potential income.

It's important to note that there is no one size fits all answer. So you really can't compare one person's strategy with another. It is a personal decision dependent on each individual's personal situation. Whether you should file for SSDI or retirement at age 62, 70, it's all dependent.

Just going to wait one moment for the captions to catch up...

We're just waiting one moment, want to make sure the captions are added properly.

Should be soon...

Okay, it seems we're going to go ahead and use the Facebook caption feature and use that instead.

So, just checking if I should go ahead and resume.

Hold one moment, please.

Okay, I can go ahead now, okay. I apologize for the technical difficulties. Hopefully we'll be able to add the captions. But anyway, back to the PowerPoint.

Okay, so, this slide is where we left off. So when you make your decision regarding filing for Social Security benefits, the factors that need to go into that decision-making are on the slide. First, you should consider what your full retirement age is and calculate what your benefit is.

Secondly, you should consider the amount of the current benefit or a future benefit to decide whether or not it makes sense to file early or delay your filing.

Third, you need to consider how long you expect your retirement to last based on your life expectancy. So, do you expect to live to age 100?

Do you think you might live in the 80s?

You know, different people have their own personal opinions about their own longevity. So that's an important consideration as well.

And then something else to consider is whether or not you plan to continue working. If you do plan to continue working, maybe you don't need to file for Social Security benefits at full retirement age. Then you also want to take into consideration other sources of retirement income, and whether or not you need to rely on that income from Social Security.

Income taxes are another consideration. You'll want to look at the bigger picture and how drawing those benefits might impact your tax filing.

And lastly, you'll want to consider how your spouse may be impacted by your decision.

You know, when you file does have an impact on them, so you'll want to make sure you work together and coordinate your benefits.

Now, we talked about FRA, and it's important to be a aware of what your full retirement age is, because that will impact how your benefits are calculated, and I'll get into that more on the next slide. But for now, you'll want to look at when you would hit your full retirement age, because at full retirement age is when you're eligible for 100% of your benefits.

If you were born between 1943 and 1954, your full retirement age is 66. If you were born in 1955, it's 66 and 2 months, and then 66 and 4 months, you see, 1956 is 66 and 6 months, 1958, 66 and 8 months. 1959, 66 and 10 months, and anyone born 1960 or later, their full retirement age is 67.

So I mentioned your FRA, full retirement age. So now we're going to talk about if you start applying for early benefits. Again, you can start as early as age 62. And let's say your full retirement age is age 67. You'll see a chart here that shows that your full retirement age benefits at 67 would be $2,000. But if you started as early as 62, they would only be $1,400. So the difference between FRA and age 62 is a 30% reduction over those 5 years.

If your FRA is 66, it's a 25% reduction.

And if you happen to fall somewhere in between, then there's a percentage reduction somewhere between 25 and 30%.

One benefit of filing earlier is, of course, you start getting that money earlier, so you draw a longer period of time.

I want to add one more thing, too. These numbers are just an example. It's not any specific situation, it's just hypothetical.

Now, I just talked about early retirement benefits, and how they'd be reduced. But what if you decide to delay your benefits until after your full retirement age?

Again, if your FRA is age 67, and you decide to delay or defer until age 70, you see again, the FRA amount in this example is $2,000, but if you waited until age 70, it would $2,480.

Every year that you delay benefits, you will get an 8% increase in your benefit amount, up until age 70.

So now, let's take a look at the bigger picture. Again, age 62 all the way to age 70. These are the different benefit amounts. And the difference between the two, if you file it at age 60, you would get 77% more if you waited to file until age 70.

Now, I want to draw your attention to one more important thing to consider, and that's what we'd call the break-even point. And I'll explain what that means.

So, the first step is, if you go ahead and file at age 62 instead of age 70, for example, how much more would you get between those number of years?

So in this example, over those 8 years, between age 62 and 70, you would get $134,000. That would be what you would draw over that period of time.

Now, if you wait until age 70, you would get $1,080 per month. So you'd get more per month from then on, but remember you would have $0 from 62 to age 70 -- that $134,000 number that we talked about. So how long would you have to be getting that $1,080 a month to break even to collect that total of 134,400?

And that ends up being 124 months, meaning if you wait until age 70, you'll have to live until you pass 80 to ultimately get more money on a cumulative basis after age 80, to make up for what you would have gotten between ages 62 and 70.

Okay, this is another example. So, this is something that you can actually get your own Social Security benefit statement. This is a sample statement. You can get it at ssa.gov. You do have to register for online access to that site, but then you can pull up your statement there. And this is an example of what that statement will look like once you get it online.

On the right-hand side, you see the blue lines there. And you'll see the different ages from 62 to 70 and you'll see the differing dollar amounts.

In this situation, if your FRA is age 67, you'll get 3,401 a month.

Now, it's also important to look at the SSDI benefit too. Now, of course, you have to be eligible for that. That's an important distinction. But if you look at the FRA number, and then you'll see the SSDI, the disability benefits number on the left. In that scenario, that's $3,341 a month. You'll notice it's very close to what the FRA amount is. It's a little below, but it's very close to what the FRA number would be. And that is typical, that the SSDI number is very close to the FRA amount.

And the reason that I mention that break-even point is that we have to use that and compare to SSDI. Because if you go ahead and start SSDI at age 62, and you get that full $3,341 a month, compared to waiting until your full retirement age, the difference is only $886. So if you wait until age 70, you're only getting $886 more a month. If you're getting SSDI starting much earlier, starting at age 62, there's a much longer break-even point compared to early retirement. Between age 62 and 70, it's about $326,000. And the break-even point on that amount would mean that you would have to live more than 30 years to break even. That essentially means that for most people, it makes sense to go ahead and start SSDI at any age, rather than waiting until age 70. Again, that's why I said it depends on each individual's situation.

Now, if you're eligible for SSDI, it's important to keep in mind that whenever you decide to retire, at whatever age, if you retire before age 62, you can apply for SSDI, but you have to wait for 6 months before you start drawing that income.

Now, if you decide to retire between ages 62 and whatever your FRA is, you can actually apply for early Social Security benefits first, which would start right away. You don't have to wait the waiting period, and you would get that money, early Social Security for 6 months, and then you would switch over to SSDI benefits 6 months later.

Now, if you have already reached your full retirement age or older, then there's no reason to apply for SSDI at all. You would just go ahead and apply for your regular Social Security benefits and start right away.

Another question that we're typically asked is when should people apply for SSDI?

So it's typically the next day after your retirement date, after you've stopped working, the next day you can go ahead and apply for SSDI.

So there's another important consideration too, is, if you plan to continue to work, many people will wonder if they can still apply for SSDI, or if they can still collect Social Security while they're working.

Well, there are specific rules and there are limitations on that.

Now, again, that FRA is a very important age to remember, because if it's before, if you file for benefits before your FRA, and you're still working, yes, it will impact your Social Security, early Social Security, or SSDI benefits.

However, if you have already reached your full retirement age, your earnings from employment will have no impact on your Social Security benefits. You can earn income and collect your benefits at the same time.

Now, I mentioned that there are limits on employment income. If you are collecting Social Security Disability, SSDI, then your limits are based on a monthly amount of $1350, so it's not an annual amount, it's a monthly amount. If you earn more than 1,350, benefits stop. Now, they give you a three month grace period to see if it's consistent or a one-time thing. If you're before your full retirement age and you're getting Social Security and you're still working, your Social Security benefits will be reduced $1 for every $2 of earnings above the annual limit. Now, again, it's an annual limit for early Social Security, while it's a monthly limit for SSDI.

In 2022, that annual income limit is 19,560. So if you earn $19,562, your income would be over by $2, it would be reduced by a dollar.

Now, the year you reach your full retirement age, in that one specific year, there's a special change to the limits. In that one year, the benefits will reduce $1 for every $3 over that limit. And in 2022, that limit is $51,960. That's just in the year you reach your FRA. So if you earned $51,963, your benefit would reduce by $1. And obviously the more you earn above that limit, the more your benefits would reduce.

Now, once you have already reached your full retirement age or you're above that, earnings have no impact on your benefits. You can get your full Social Security benefits and unlimited earnings at the same time.

Okay, so, how about the taxability of Social Security benefits?

Will they be taxable?

Well, the answer is, it's possible. And there are certain factors -- so your combined income -- combined is your adjusted gross income, plus any nontaxable interest, and half of your Social Security benefits. So those are all added together. And if that combined income is below $25,000, your Social Security benefits will not be taxed. If you earn between $25,000 and $34,000, this is as a single person, not a married person, as a single person, between $25,000 and $34,000, 50% of your benefits will be taxable.

And if you're married and your combined income jointly is between $32,000 and $44,000, up to 50% of your benefits are taxable.

Now, if you earn more than that, a single person earning more than $34,000 will have 85% of your benefits taxable.

And then a married person earning more than $44,000 will have 85% of their benefits taxable.

So it's important that you're aware that the benefits can be taxable.

Okay, I mentioned before that your spouse can be impacted. So, how will your decision affect your spouse? It can affect them. And the ways it can affect is, first, both spouses need to figure out how to maximize the household income. And you also want to maximize that income once one of the spouses has passed away, and you want to make sure that there's enough income for the surviving spouse to continue without the deceased spouse's income.

Secondly, you want to look at the appropriate combination of claiming ages, and I'll explain what that means.

So maybe one spouse may decide to claim earlier. One spouse may decide to claim later. Maybe both spouses claim at the same time, both early, both later. So that's part of the consideration of how those filing strategies can impact each other.

A third consideration is, for those people who were previously married, and were married for at least 10 years or more, they may be eligible for a spousal benefit based on their prior spouse's record. And so they have to consider that -- first of all, it does not reduce their ex-spouse's benefit at all, or the current spouse's income. There's no impact on that. It's just that you can file benefits, spousal benefits, based on an ex-spouse's record. It's important to keep that in mind.

All right, so, retirement spousal benefits. I want to share three important bits of information on that.

First, your retirement benefits are based on your own earnings record. They're based on your own full retirement age, so, again, at full retirement age, that's when you're eligible for 100% of your full retirement benefit.

Spousal benefits are based on up to 50% of your spouse's full retirement benefit amount.

So if a person claims based on their own age, they have to have reached FRA first, and then they can get 50% of the spouse's benefits. Otherwise it will be reduced.

So if your spouse retires early, they get reduced benefits. The spousal benefits will also be reduced. It's important to know that. Maybe one spouse wants to go ahead and file based on their spouse's retirement, but that spouse hasn't filed yet. They cannot do that. The earner has to have filed first before the spouse can claim benefits based on their spouse's earnings record.

Now, survivor benefits. It's good to be aware of this because you need to know that if something happens to either spouse in a relationship, when one spouse passes away, the surviving spouse, assuming that both spouses have Social Security benefits, then the surviving spouse will -- if their own benefits were lower than the deceased spouse's, they can switch over and continue to receive the deceased spouse's benefits because it's higher. But if their own benefits were higher than the deceased spouse's, they will just keep their own benefit. So it's one or the other. So you can switch to the spouse's benefits or you can keep your own. It's whichever spouse had the higher benefit amount. But you will not keep both. You cannot keep both. That's very important to remember. It's one or the other, whichever is higher, but not both.

Survivor benefits if one spouse passes away, the surviving spouse, they only have to be age 60. So if they're 60 or above, they can apply for survivor benefits. 60 or above. But again, it may be reduced based on their age. Before age 60 -- 59, 58 -- they cannot apply for spousal benefits. They have to be at least 60.

Now, this slide, I want to show you the power of delaying benefits. And this depends on either spouse, whether they decide to file early, maybe one files early, one files later, or maybe they both file later. This is an example.

So let's look at Spouse number 1. You see their own benefits at age 62, age 67, and 70. You can see the amounts there. And then Spouse 2, you see those amounts. Again, age 62, age 67, and age 70. If you add them together, you can see the 3,077 if they both retire early, and 5,451 if they both wait to age 70. So you have to see which amount fits your situation better. If you need the money right away, maybe you file earlier, but if you can afford to wait, maybe that's the option for you.

The other reason you might want to consider waiting and delaying benefits is for those survivor benefits. The longer that you wait for benefits, the higher the benefit amount is, which means your spouse would also get a higher survivor benefit after you die. If you start early, your benefits are lower, and that means the survivor benefits are lower as well.

Ultimately, the choice is yours. And again, it depends on each individual situation. And I'll give you the reason why you might want to consider filing to receive benefits earlier, or why some might want to consider to receive benefits later. And the reasons are listed here.

One reason you might want to file earlier is because if you need money right away, you need income right now. That might be a reason.

Another reason is that maybe you don't need the money right now, but maybe you want to take it and invest it somewhere else. That's one option that people use.

Maybe you want to delay having to take funds from other sources of retirement income, like your retirement account, your investments, or any other sources of income. You don't want to start taking them right away, so you'd rather start Social Security first and allow those other benefits to grow.

A final reason is because if your spouse wants to delay receiving their benefits, but they still need income, maybe you might go and file for yours now while your spouse delays their own.

So those are reasons why you might file early.

Now, for a list of reasons that you might decide to receive benefits later. The first reason obviously is that you want a higher benefit amount, right?

Another reason is that you want to maximize your survivor income.

Third is if you plan to continue working longer and you don't need Social Security benefits.

Another is if you have the opportunity to apply for spousal benefits first, and then switch to your own benefits later. So if you start spousal benefits and then later switch to your own, that's another reason you might delay.

Again, I mentioned before that you can get your benefits estimate. You can look up the approximate amount. You can pull up a copy of your Social Security benefits statements, at the ssa.gov website. So you input your information and then you can get your exact figures and figure out which is the best strategy that best fits your needs.

You can also contact the Social Security Administration to discuss your options and figure out what might best fit you, and when it's time to apply, you can apply online, by phone, or in person to establish your benefits.

So that wraps up all the information on Social Security. I hope that you found this information beneficial. Kramer Wealth Managers can help you learn more about your Social Security, your FERS benefits, TSP. So feel free to reach out to us for more information. Thank you!

>> Brianne Burger: All right, hello, again, everyone. So all I can say is, wow, that was a lot of really, really great information. I know I learned quite a bit, things that I really didn't realize. I didn't think I needed to worry about Social Security right now, but after hearing this presentation, for example, I didn't know that my Social Security income was taxable. I always thought it was completely separate from that!

And I knew about numbers like 67 in terms of age, but then talking about Social Security and SSI and SSDI and the nuances between that... so just, wow! And I see we have a lot of great questions in the chat. So I'm going to try to go through and make sure those questions get answered. I'll go ahead and reiterate the question and then I'll let Jeremiah and Stephanie answer. If anybody out there in Facebook land has questions, comments, or concerns, feel free to continue to put those in the chat. We're here until 8:00 this evening to answer anything else, and we have 15, about 17 minutes left, for those who are not on Eastern Standard Time, we're talking about 8:00 Eastern, so adjust accordingly to wherever you're located!

So let's start with our first question.

Bear with me, I want to make sure I don't miss anything.

Okay... there are so many questions, lots of great questions. I love everybody's enthusiasm!

All right, so to get us started, I have a question about SSDI and retirement. I am currently working for the city and I have been for the last 24 years. I'm planning on retiring in approximately 10 years at the age of 60. Am I able to get SSDI and TMRS at the same time?

>> Stephanie Summers: Sure, I certainly can speak to that. You are eligible for both pension and Social Security Disability Income, yes.

>> Brianne Burger: Okay, next question is, how much is considered one work credit, specifically for SSDI?

40 work credits is equal to about how much income, roughly?

>> Stephanie Summers: The 40 credits that was mentioned was based on 1 credit per quarter. Meaning if you think about it, 1 year, so 4 times 10, 10 years of work times 4 equals 40 credits. From there, then you're eligible for Social Security.

>> Jeremiah Thompson: I want to clarify, too, that when we talk about SSDI, it's only for people with disabilities, of which Deaf people qualify.

>> Brianne Burger: Great, thank you for that clarification.

Next question, all right, so, are you saying that Social Security, the Social Security recipient is eligible to receive both Social Security retirement and SSDI at the same time?

>> Stephanie Summers: No.

>> Jeremiah Thompson: No. -- go ahead, Stephanie.

>> Stephanie Summers: Sure. When you receive your monies from Social Security, you're only getting one check. SSDI is prior to retirement age, prior to FRA, you're eligible for SSDI. Once you meet and become FRA, that SSDI, for lack of better word, converts to Social Security. You will always receive the higher amount of the two, either SSI or SSDI, but you're never able to draw on both at the same time. You get one check. It's just the nomenclature that changes, based on your age. So that's why, as Jeremiah mentioned several times, it's so important to keep that age, that FRA, in mind, so you know when you're fully retired, when you're considered fully retired. Again, if it's that magic number of 67, for example, if it's prior to the full retirement age, it's SSDI, if it's after the full retirement age, it becomes Social Security, so it's one check.

>> Brianne Burger: Okay, that really clears it up. And I think that's a common misconception for a lot of people. And I like that the higher number wins, certainly!

You know what I mean?

So, interesting. Great! Thank you for sharing that.

Okay, moving on to our next question. So there's a question about common law. So, married, not really being married but have been been together for a long time, living together for many years, how does that possibly impact Social Security?

>> Stephanie Summers: That's actually a really good question. The federal level doesn't agree with that. They don't actually recognize that. They don't recognize any type of common law in terms of Social Security. Social Security is based on federal law, remember. And also, federal law does not recognize common-law marriage, just common law in general, common-law relationships, I guess, is the best way to put it.

>> Brianne Burger: Interesting!

Okay

And also, I just recently learned that some states don't even recognize common law.

>> Jeremiah Thompson: Right.

>> Brianne Burger: I didn't realize that. I thought all the states recognized that. So I knew it was always that magic number of 7, but in some states it's 10 years, so it varies from state to state. It's really interesting. My recommendation to folks watching right now is to do your due diligence in your state and whether they recognize it at 7 years, 10 years, or at all. But now we're hearing that federal law doesn't recognize it. But it would maybe impact state taxes, correct?

>> Stephanie Summers: Correct.

>> Brianne Burger: Okay, I'm no financial expert, but with you guys, I feel like I can manage this!

I feel okay! Maybe I need to look into a change of career field.

>> Stephanie Summers: Well, you need to do your research, that's important. Definitely knowing what's happening in your state versus the federal, because sometimes those two things do not align at all.

>> Brianne Burger: That's really good to know. So everybody make sure you're well-versed in terms of what applies to your area.

Next question, this is more a point of clarification, actually. An individual decides to retire at the age of 62, but they don't want to start collecting Social Security until their full retirement age of 67. So, why would you -- hold on, I'm losing my place -- why would you recommend applying for Social Security, going with a lower monthly income at 62, if you would prefer to wait until 67 for that higher number?

>> Jeremiah Thompson: That's a good question. So, I do want to clarify, yeah, you don't have to apply at age 62, if you want to start at 67. And one slide mentioned why someone might want to apply early versus people who may want to delay it, but it really is an individual decision based on your individual situation. Some people are just done with work, don't want to keep working, but they realize they don't have enough retirement income, and they just can't manage their cash flow, so they need to start taking it early, because they need it to supplement their budget. But some people don't, and they want to wait until 67, or maybe even 70. Again, it really depends on each individual. Stephanie, anything you want to add there?

>> Stephanie Summers: No, absolutely spot-on.

>> Brianne Burger: All right, well that makes sense. And also, just to add to that, if somebody would like to review the PowerPoint slides again, we will be posting them on the DIG website tomorrow, you should be able to find them there, so you can go back and review them. I know some of those slides were really, really information-dense, so you'll be able to find them there, download, and keep them for yourself so you can peruse them later, and as always, if you have additional questions you can send them on to Stephanie and Jeremiah, I'm sure they'd be happy to work with you one on one.

I see more questions coming in, this is great, keep them coming!

We have 9 minutes!

So please, by all means, keep them coming

The next question is, when applying for SSDI, is it best to apply 6 months before retirement to get the process going?

>> Stephanie Summers: So, when you retire, that's when you can apply for SSDI. You can't apply prior to that age. The reason being, you're still working. Social Security will see that you're still gainfully employed, and you'll be denied.

Once you are no longer working, at that point, you are required to begin that 6-month waiting period, at the end of which you can start to receive those benefits of either SSI or SSDI.

Now, what's important, and the important thing I want everybody to keep in mind, is if you are planning to retire, remember, you're not going to be getting any of that income, any income after retirement for that 6-month waiting period. So you want to make sure that you have an emergency fund in place that you put aside some income and have that ready, so that when you're retired -- you can also use annual leave, that's another option, and have that converted. And that can be part of that income to carry you over until your Social Security kicks in.

>> Brianne Burger: I know that some people are using that up! Not me. I'm not one of them! I work too much! I actually have to force myself to take some time off!

But thank you for sharing that. I think that's definitely important. I didn't realize that, honestly, you know. I wasn't thinking about it, and I didn't think about the fact that you're going to have 6 months where you're not getting income, so you definitely need to look at what you have and not wait until the last minute.

>> Jeremiah Thompson: I do want to add one important clarification. Now, SSDI is what has a 6-month waiting period. Regular Social Security retirement, non-disability, does start right away. So I just want to make sure that's clear. Yeah, we're talking about two different things. So that's why I mentioned previously that if you are age 62 and you plan to apply for SSDI, no matter what, but go ahead and start Social Security early retirement. You'll get it, it will cover you for that 6-month waiting period while you're waiting for SSDI to kick in. Once you've met the 6-month waiting period, then it will switch to SSDI. Again, you're not getting both, you're just switching over.

>> Brianne Burger: Okay, follow-up question. Last month we were having a conversation about the best time to retire, to file for retirement. I remember Stephanie saying it was better to retire at the end of the month so you can draw benefits as soon as possible the next month. What about Social Security?

Should you start specifically after retirement? Within about a month? What's the best time to apply for that? Beginning, end? Any preference?

>> Stephanie Summers: That's a really good question. When it comes to Social Security, you can go ahead and apply prior, you can go ahead before you retire. SSDI is different, you have to wait that 6 months in order to receive your fund. Social Security, you can apply ahead of time.

>> Brianne Burger: Like a month before?

Beginning of the month? End of the month?

>> Stephanie Summers: I would say 2 or 3 months before.

>> Jeremiah Thompson: Yeah, usually 2 or 3 months before.

>> Stephanie Summers: It does take a little bit of time to process everything, of course. With FERS, you'd get the money typically right away, but the exact amount is not what you'd get because they're still doing and figuring out the exact amount, doing that work. It might take 4 months until you finally get that exact amount ironed out. Now, it will be retroactive, of course, and you will get the lump sum that you're owed based on that calculation. But it does take time for that final calculation to be done.

For Social Security, if you apply 2 months before, they will recalculate and then again that will also be retroactive and you'll get the right amount moving forward.

So, lots of things to consider, lots of numbers you need to calculate!

>> Brianne Burger: Right. And I'm just wondering -- I'm thinking out loud -- when it comes to Social Security, okay, suppose I apply 2 or 3 months before -- no, wait, let me think about this. I'm just trying to figure out -- okay. All right. I'm wondering, do they need to be able to see my retirement paperwork?

Do I have to prove that I've actually retired?

How do they verify this date, or does that even -- how do they know that I'm actually retired?

It's just a matter of they take my word for it?

>> Jeremiah Thompson: So you can just pick any date you want to start. Now, again, this is for Social Security, not SSDI. For Social Security, you pick any date you want.

>> Brianne Burger: How do you verify retirement? How do I prove I've retired, so to speak?

>> Jeremiah Thompson: There's no proof required, because it's not a requirement for benefits.

>> Brianne Burger: I always thought I had to retire and then receive benefits.

>> Jeremiah Thompson: That's the case for SSDI. But for Social Security benefits, it's based on age only. Social Security retirement is based only on your age. SSDI is different.

>> Brianne Burger: Okay, so hypothetically if I continue working until 68 or 69 years old or 70, still working, but Social Security would kick in for me -- my age group, I think I'm in the 69 bracket, but anyway, I could collect Social Security while I'm still working?

Social Security, not SSDI, I recognize the difference

>> Stephanie Summers: Okay, so you just said if you continue working until you're 68, you could collect Social Security and have both sources of income, Social Security and your work income.

Now, after your retirement age, there's no reduction to your benefits. Okay?

>> Brianne Burger: I mean, I don't want to work at 68, full disclosure, I'd like to travel the world and do other things, maybe have grandchildren by that point, I'm not sure. But I'm just wondering, hypothetically speaking, if I could be pulling from both streams of income at the same time. I'm sure there are some folks out there...

All right, looks like we have another point of clarification. At the age of 62, can you apply for SSDI first, and not start with Social Security -- hold on, we got a lot more questions coming in.

Hold on, let me finish this one question. So, again, at 62, can you apply for SSDI first and not begin Social Security, because this individual has other income, for example, a pension that they're drawing from?

>> Jeremiah Thompson: You certainly can do that, but some might think, well, why not go ahead and start getting it right away. You don't get that for 6 months. If you apply for SSDI first, then you won't get anything for 6 months. So it benefits you to go ahead and collect it for 6 months. But of course it is up to you, and you could just wait until SSDI starts.

>> Brianne Burger: Another question for you. Is there anything in statute about an expiration date, like, for example, if I were to live to 110, would I still be able to collect Social Security?

>> Stephanie Summers: Yes!

>> Jeremiah Thompson: Still can, yup.

>> Brianne Burger: Or 98?

>> Jeremiah Thompson: Keeps going until you die.

>> Brianne Burger: That's nice to know!

All right, next question. Similar to last month's topic, something is actually asking, is better to retire at the beginning of the month or at the end of the month?

Is there a better time to retire? And I'm sure not everyone saw last month's webinar. But to let them know, all of this information was covered. I'll let Stephanie and Jeremiah respond again and answer that question, of course, but just to let you know, you can also go back and review last month's webinar. It's actually already posted on DIG archives, so you can watch that video and get some questions answered there, and the PowerPoint slides from last month are also at deafingov.org, if you go to that page you can download the PowerPoint as well, all that information is available. But I'll let Stephanie and Jeremiah respond to this

>> Stephanie Summers: So for Social Security, it doesn't matter what time of the month you choose to apply. It makes no bearing on when you receive your funds. For a pension, however, so we're talking about FERS now, the end of the month would be the recommendation, because you would get it immediately in the next month.

>> Brianne Burger: I remember you actually mentioning, if you were to apply for retirement by, like, January 30th, I think, you would get it March 1st, is that correct?

>> Stephanie Summers: Correct.

>> Brianne Burger: So then, if it was on the 1st, you would still receive it March 1st, if you applied February 1st?

>> Stephanie Summers: Yes.

>> Brianne Burger: All right. I'm realizing we're actually over time!

So thank you so much for being here. I so appreciate it. This is part 2, as I mentioned before, of our financial literacy webinar series with Deaf in Government and with Kramer Wealth Managers, and we are so, so grateful to Kramer for giving us this opportunity to bring this information to everyone. You know, we often get questions to our DIG e-mail about this very topic, and we're so grateful to you for providing this education.

Remember, this is only part 2. We have more coming up. November 9th, same time, same channel, 7:00 East coast, 1 hour difference central time, 7:00 to 8:00. Our next topic is going to be about Thrift Savings Plans, or TSP!

As you know, there's just been changes to the TSP website and a lot of confusion. So this year, everybody is kind of up in arms about TSP, and things are a little crazy right now. So that should be a very, very interesting discussion for the next month, and we are definitely going to put Jeremiah and Stephanie in the hot seat, and I'm very much looking forward to seeing how they handle all the questions that you will have!

So make sure you guys are ready! I'm sure you'll be sweating.

And then we'll have another webinar in December, perfect timing, because that actually aligns with open enrollment for changing your benefits -- as you know, the federal government open enrollment system, when you have the opportunity to pick your coverage, your insurance, your dental, so forth and so on. That will be the topic of discussion for December, how to pick the best insurance plan for yourself and your family based on your situation. So that will be our December topic.

So please, stay with us, stay tuned. If you haven't subscribed to Deaf in Government, please go ahead, it's free to join and to be part of our e-mail listserv. Join us on social media, Instagram, Facebook, Twitter, LinkedIn, we have it all!

And again, please also feel free to reach out directly to Kramer Wealth Managers at any time. I'm sure they'd love to hear from you. Thank you again for joining us tonight, and we really want to extend our gratitude to Caption Anywhere for making this live stream available for support, and we'd like to thank our interpreters Lisa Dewing and Anna Rose and our captioner Claire Baldi for their support. Again, this will be archived on Facebook and on the Deaf in Government website, and we look forward to seeing everybody next month, and on the next slide, you'll see our sponsors who we also want to thank.

(End of transcript).