

PEOPLE BORN IN 1960 FACE PERMANENT SOCIAL SECURITY BENEFIT REDUCTION

About 4 million people who turn age 61 this year are in for a deep hit to their Social Security benefits when they retire. The initial retirement benefits of these individuals may be permanently reduced by about 9.1 percent according to an estimate by Social Security's Chief Actuary. Without quick remedial action from Congress, the retirement benefits of people born in 1960 would be lower than people with identical earnings born just one year prior to them (1959) due to a known problematic feature of the Social Security benefit formula.

The situation is caused by a drop in the average wage index (AWI) which is used in the Social Security benefit formula. Normally, wages tend to go up every year. But in 2020, the COVID-19 recession and sudden high unemployment, may cause the index to plummet. This type of benefit reduction is known as a "notch" and we are calling these people the "1960 Notch Baby Boomers."

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Medicare Recipients Face Steep Out-of- Pocket Medicare Part D Drug Costs in 2021

Prescription drug costs are one of the fastest growing expenses in retirement. Last year about 23% of you postponed filling one or more prescriptions due to costs according to the results pouring in to TSCL's latest Senior Survey. Our latest findings also suggest that 27% of retirees spend at least \$95 per month on prescriptions.

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Where Are All the COVID-19 Vaccines?

By Mary Johnson, editor

All together now: Raise your hand if you have had trouble figuring out if, when, or where you would get a COVID-19 vaccine! If you have already gotten yours—congratulations!

In my rural area of Central Virginia, more than 25,000 adults over the age of 65 signed up to receive the vaccine on the Virginia Department of Health's website during the first 30 days. But our health district's director said that we should only expect to receive only 600 to 1500 doses per week. After doing the math, I figured I might not be vaccinated until 2024!

I was wrong, thank goodness. I just received my second dose of the vaccine last week.

The massive national initiative to vaccinate Americans against COVID-19 is underway, but "Operation Warp Speed" immediately hit inevitable speed bumps. One big concern has been the 40% of Americans who want someone else to go first. There are already reports though that vaccine hesitance is actually much less of a problem as more becomes known about the vaccines, and worries grow that there might not be

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Can You Live On Social Security Alone?

Rick Delaney, Chairman of the Board, TSCL

Social Security was never designed to be the sole source of retirement income. It replaces around 40 percent of the average earnings of its beneficiaries. Pensions and savings form the two other major streams of retirement income, but people who retire with all three sources of retirement income are rare. Even worse, recent research from the National Institute of Retirement Security found that more than 40% of older adults have no retirement income other than Social Security.

If you or someone you know is struggling to make their Social Security benefits stretch from one month to another, there are two Medicare programs that can help with medical costs for those eligible, Medicare Savings Programs which cover some Part B costs, and Medicare Extra Help which provides help with prescription costs.

Medicare Savings Programs cover the cost of the Medicare Part B premium, saving \$148.50 per month in 2021. Depending on income, those with the lowest income may also qualify for additional benefits that cover the Part B deductible and out of pocket costs. People with incomes in 2020 of \$1,456 per month (individual) or \$1,960 (married couples) might be eligible if they have limited savings and resources of \$7,860 (individuals) or \$11,800 (married couples). These limits are slightly higher for Hawaii and

Alaska. This program is administered through state Medicaid programs and states may have guidelines that allow people with slightly higher income to enroll. If interested contact your local Medicaid office to apply.

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Medicare Extra Help helps pay for some, or most of the out-of-pocket costs for Medicare prescription drug coverage. It is also known as the Part D "Low-Income" subsidy. Extra Help pays for the Part D premium up to a certain amount (specific to your state), lowers the cost of your prescription drugs, gives you special enrollment periods to switch plans, and eliminates the Part D late enrollment penalty if



*Rick Delaney,
Chairman of the Board, TSCL*

you did not enroll in Part D by your original deadline. If your income is under \$1,615 (individuals) or \$2,175 (married couples) and you have limited savings and resources, you might be eligible. Apply for Medicare Extra Help on the Social Security website www.SSA.gov.

Advocates who help retirees enroll in these programs say that even if your income is slightly above the eligibility limits, you might still qualify because certain types of income and assets may not be counted.

Need more help? Free one-on-one counseling is available through State Health Insurance Programs (SHIP). To get contact info for your area visit <http://shiptacenter.org>. ■

Surprise! Congress Passes Legislation Banning Surprise Medical Bills

Shannon Benton, Executive Director



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Executive Director

Last year more than one-fourth of participants in TSCL's Senior Survey reported that they had received a "surprise" medical bill in the past 12 months. While surprise medical bills can refer to any number of situations, including a sudden cost increase for prescriptions, recent legislation passed in December of 2020, addresses a certain type. Specifically, medical bills that a patient unexpectedly receives when treated by an out-of-network provider at an in-network facility.

This is a problem that affects retirees enrolled in Medicare Advantage plans much more so than those who have Medigap supplemental coverage which allows enrollees to see any provider that accepts Medicare. To reduce the costs of care, and to keep premiums low for consumers, Medicare Advantage plans (and health plans covering adults younger than 65) contract with doctors and hospitals to create networks. Cost is a predominant concern, and in the process, plans create networks that exclude higher cost providers.

This creates problems especially in emergency situations when the patient may require

pricey services such as those from an air ambulance, doctor or other provider that does not have a contract with their Medicare Advantage plan. When health plans get such bills, they can reject the claim and patients wind up on the hook for the "balance bill." While the average emergency room visit is just above \$600, some patients have received surprise bills greater than \$100,000 from out-of-network providers.

Consequently, surprise billing is universally loathed. More than eighty percent of participants in TSCL's 2020 Senior Survey wanted Congress to prohibit surprise medical bills, and the legislation that was signed into law in December prohibits this practice.

It's not perfect—we still have a year to go before implementation starts. Then starting in 2022, consumers will no longer receive surprise or "balance" bills when they are unknowingly treated by out-of-network providers. Patients will pay only the deductible and copayment amounts they would under the in-network terms of their insurance plans. Medical providers will not be allowed to hold patients responsible for difference between the amount they get and the higher

fees they would like to charge. Instead providers will have to work that out with insurers.

While that part is good news for consumers, TSCL is closely watching to see how these changes may impact Medicare Advantage premiums and emergency room co-insurance costs. And unfortunately, drug costs are likely to continue to shock us unless Congress takes action to change that next!

Keep up with the latest. Follow TSCL on Twitter and Facebook. ■

Sources: "The Underlying Causes of Surprise Medical Bills," David Blumenthal and Shanoor Seervai, *The Commonwealth Fund*, April 26, 2019. "Surprise! Congress Takes Steps to Curb Unexpected Medical Bills," Julie Appleby, Kaiser Health News, December 22, 2020. "Surprise Medical Bills Cost Americans Millions. Congress Finally Banned Most of Them." Sarah Kliff and Margot Sanger-Katz, *The New York Times*, December 22, 2020.

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CONGRESSIONAL CORNER

Two Social Security Provisions that Need to be Fixed

By Representative Pete Aguilar (CA-31)

The past year has been extraordinarily difficult for everyone, especially for our seniors. The coronavirus crisis has upended the lives of millions, forcing businesses to shut down and leading to levels of unemployment not seen since the Great Recession. As a consequence of the unprecedented number of layoffs, Social Security could be critically impacted for years to come. We must do all we can to protect this critical resource for our seniors.

...we must do all we can to make sure Social Security remains solvent...

For decades, Congress has worked hard to try and strengthen our Social Security program. Most notably, Congress passed the Social Security Act of 1983, which included two provisions they believed at the time would strengthen and protect this system: the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). These provisions, while well-intentioned, proved to be more harmful than helpful. They were enacted as a way to keep Social Security “fair,” but overlooked prior employment that paid into the Social Security system. This led to reduced benefits that left many seniors blindsided once they retired. That’s why I wholeheartedly

support legislation to fix these issues. I am a proud cosponsor of the Social Security Fairness Act, a bipartisan bill that completely repeals both provisions making certain that all seniors can receive their full Social Security benefit.

With a growing number of retirees, we must do all we can to make sure Social Security remains solvent and to make sure seniors are receiving their full benefits. By passing the Social Security Fairness Act, we can ensure that seniors impacted by WEP or GPO can rely on Social Security to retire with dignity. Many of the seniors most affected by these programs are former federal and railroad employees, frontline workers like firefighters, teachers and law enforcement, and their spouses. After a lifetime of work, they deserve the full benefit they’ve earned. That’s why Congress must pass the Social Security Fairness Act to fix these issues and give more seniors financial peace of mind.



Representative Pete Aguilar (CA-31)

Social Security is a promise to every American, that if we work hard and pay our taxes, we can retire comfortably and with dignity. Millions of people rely on this promise. Congress has an obligation to ensure that this crucial program is properly strengthened for today’s seniors and for generations to come and that everyone gets their fair share. I look forward to working with my colleagues in the House of Representatives to deliver on this promise for senior residents of the Inland Empire and across the nation. ■

The opinions expressed in “Congressional Corner” reflect the views of the writer and are not necessarily those of TSCL.

Your Opinion Counts!

We can strengthen Social Security, Medicare and Medicaid programs without the need for deep cuts and higher out-of-pocket costs. The Senior Citizens League needs your opinions and ideas to share with Members of Congress on the issues. Make sure they hear your concerns. Take a survey, sign a petition, read about the latest legislative action in Congress, or send us an email. Visit The Senior Citizens League’s website at www.SeniorsLeague.org.



BEST WAYS TO SAVE

Lunch for a Month at \$1.20 per Meal

By Mary Johnson, a.k.a “The Soup Lady”

One of my favorite cheap eats is a pot of homemade full-flavored bean vegetable soup. Ingredients can vary by season and what you have on hand and this basic recipe lends itself to all sorts of flavor variations. I freeze mine in single serving Pyrex containers and later add cooked potatoes, pasta or cooked grain when re-heating. You can also add leftover bits of cooked chicken, beef stew meat or shrimp.

I think it's just as much work to make a small batch of soup as a large one, so I typically use a big 6-quart soup pot, and fill it up. I freeze most of my soups, but I usually put aside a quart or two in clean recycled glass jars to share with family or neighbors. This much soup can take up a lot of space while cooling in your fridge, and storage room in your freezer. So, I've cut my normal 24-cup recipe in half. The version below

will yield about 3 quarts or 6 2-cup servings of soup that work out to cost about \$1.20 per bowl.

While some people prefer to cook their beans first, and discard the bean-cooking water, I generally cook the entire soup in one pot at the same time. The bean cooking liquid becomes the soup stock and the onions and flavorings provide the beans with a great flavor.

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People Born In 1960 Face Permanent Social Security Benefit Reduction; continued from page 1

Without legislation to remedy the situation, the reduction to the Social Security retirement benefits of these 4 million people would be permanent. A calculation for TSCL indicates that a 62-year-old middle-earning retiree in 2020, who typically would expect a benefit of \$1,565 at full retirement age, would only receive \$1,423 instead. Over the course of a 25-year retirement, or by the time these individuals reach 87, the total loss of retirement income from expected Social Security benefits would be more than \$55,000.

Congress has the ability to prevent these reductions before they take effect, but the questions is—will they? Legislation proposed in 2020

would protect the retirement benefits of individuals who were born in 1960 from declining. But TSCL is concerned that some Members of Congress may balk at taking timely action. To prevent lawmakers from looking the other way, they need to hear from as many constituents (of every age) as possible to take action to protect retirement benefits. “These are benefit cuts that were directly caused by COVID-19 and should be addressed by emergency legislation or in a comprehensive bill that would correct this problem. In addition, Social Security benefits still need to be boosted for all retirees,” says TSCL's Executive Director, Shannon Benton.

What can you do? Share this story. If you or someone you know was born in 1960,

contact your Members of Congress! Let your Representative and Senators know that you are concerned about the permanent, 9% cut that would affect the retirement benefits of everyone born in 1960. We can make Social Security more equitable, but it takes working together to make that happen. Contact Congress here: <https://seniorsleague.org/contact-congress/>. ■

Sources: “Hearing on The Effects of COVID-19 on Social Security,” Testimony of Stephen C. Goss, Chief Actuary, Social Security Administration, House Ways and Means Subcommittee on Social Security, July 17, 2020. “Biden Has Promised to Reform Social Security—Some Changes Could Come as Soon as This Year,” Lorie Konish, CNBC, January 23, 2021.

MoJo's Bean Vegetable Soup

INGREDIENTS

- 1¼ c dried beans (any type, including soup blends)
- 2 Tbl cooking oil, olive oil, or canola work fine
- 1 large onion
- 2 large fresh carrots, chopped
- 2 large stalks celery with leaves, chopped
- ½ lg bulb fennel with leafy fronds (optional)
- 5 cloves garlic
- 1 medium zucchini
- 8 oz fresh green beans or use a 14.5 oz can
- 29 oz can diced tomatoes (use fresh tomatoes in season if you have some)
- 7 oz chopped leafy green such as escarole, endive, radicchio, kale, arugula, or try fresh wild dandelion greens
- 1/3 c fresh chopped parsley

HERB SEASONING BLEND

- 1 tsp or more to taste of each of the following: fresh rosemary, thyme, oregano, basil. (if using dried herbs use roughly 1/3 teaspoon each)
 - ¼ tsp paprika
 - ½ tsp chilli
- Salt and pepper to taste (add a little at a time and taste.)

Prepare the beans. Let's not agonize over this. Put the beans in a colander, sieve, or bowl and rinse with cool water. I use a deep ceramic bowl fill it with cool water and scoop the beans out. Most cooks pick over the beans to get rid of the odd bean or two that is "damaged." Get rid of any that are all shriveled up, obviously brown or

moldy and don't worry about those that are simply broken in half. Broken beans cook a little faster than whole ones and may get mushy before the rest are fully cooked, but that just helps to thicken the soup.

Soaking beans versus cooking from dried state. While presoaking can reduce the cooking time and some cooks feel that doing so promotes more even cooking—I can't tell that pre-soaking makes much difference with this soup. Use whichever technique you prefer. If you don't presoak, you will add roughly 30 to 40 minutes to cooking time which works for me because I chop and add vegetables while the beans are cooking.

Sweat the onions, carrots, and celery (plus chopped fennel bulb if you are using it) in your soup pan. Add about 2 tablespoons of olive oil and heat, add vegetables and stir until all starts to turn translucent. Use medium heat setting so you don't char the vegetables.

Add crushed or chopped garlic and brown for less than one minute.

Add the beans and enough cool water to cover the beans by just 2 inches to a large 4-quart pan.

To prevent the beans from getting tough, DO NOT add tomatoes or salt at this stage. Bring beans to a boil for at least two minutes, then turn down the heat to a simmer and cover the pot. To ensure the beans cook evenly, gently stir the pot occasionally and keep an eye on the water level in the pot since the beans will absorb it as they cook. If needed add just enough water to just cover the beans in order to prevent them from drying out and scorching.

Clean and chop the zucchini, fresh green beans. Add to the beans and gently stir. Add a little more water to cover if needed. (If using canned green beans wait. Canned green beans are best added with the canned tomatoes.)

Add herbs and spices but NO salt yet. You can use any assortment of your favorite herbs and flavor blends. Add a little at a time. Taste as you go.

Continue cooking until beans are "just tender", about 40 minutes to 1 hour. Taste test several beans. Some may cook faster than others.

Once the beans are tender, it's safe to add the tomatoes and salt. Use minimal salt and more herbs if you are following a special diet. Gently stir all.

Add chopped greens and parsley. Fresh greens add an extra depth of complexity to this soup. Greens add loads of calcium and other nutrients! If you don't have any grocery store greens on hand, kill two birds with one stone by foraging for wild dandelion greens from your lawn or areas that are free from chemical or pesticides. Take a knife and cut them off at the root. Wash thoroughly changing water several times. Gourmet chefs charge you big bucks for soup with wild "chicory." Yep. Wild chicory is basically dandelion greens! If you aren't certain just start with a scant cup of fresh chopped greens.

Altogether this soup can take roughly 1.5 hours to 2 hours from start to finish, not counting time to dig up and clean your wild dandelion. This soup is great served with warm cornbread. ■

ASK THE ADVISOR

Will Stimulus Payments Make My Social Security Benefits Taxable?

Q: How will the stimulus payments that we received affect our income taxes for 2020? Will this increase the amount of Social Security benefits subject to tax?

A: Many retirees are wondering how the stimulus checks that we've received so far will impact taxes, especially Social Security benefits. First here's how Social Security benefits are taxed.

Up to 85% of Social Security benefits are taxable if your "provisional income" is more than certain income thresholds. To determine "provisional income," add 50% of your Social Security benefits, and any tax-exempt interest, to your adjusted gross income (AGI).

For married couples filing jointly, up to 50% of Social Security

benefits are taxable if your provisional income is between \$32,000 and \$44,000. If your provisional income is more than \$44,000, up to 85% of your Social Security benefits may be taxable.

If you are single, up to 50% of your Social Security benefits may be taxable if your provisional income is between \$25,000 and

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Medicare Recipients Face Steep Out-of-Pocket Medicare Part D Drug Costs in 2021; continued from page 1

These individuals hit the Part D coverage gap when the costs for prescriptions can be higher.

Medicare Part D has an unusual benefit design, that has a high level of out-of-pocket costs, with no annual cap on out-of-pocket spending. While Part D drug plans vary dramatically, the standard Part D benefit in 2021 includes the following beneficiary out-of-pocket costs:

Deductible—\$445, but some plans have no deductible.

Initial coverage—\$587.50 in out-of-pocket costs for the first \$4,130 worth of prescriptions, or \$1,032.50 if the plan has no deductible.

Coverage gap—Up to \$5,183.75 in beneficiary out-of-pocket costs.

Catastrophic period—When beneficiary portion of spending reaches \$5,183.75 the costs of drugs drop to the

greater of 5% coinsurance or \$3.70 copay for generics, \$9.20 copay for brand or non-preferred drugs. For example, a medication that has a full retail cost of \$5,000 per month would cost \$250 with 5% coinsurance. Beneficiaries continue to pay drug costs through December 31, 2021.

In 2019, Congress came very close to enacting bipartisan legislation that would have provided an annual cap on drug costs of \$3,000 (\$250 per month), but the legislation was blocked by pharmaceutical interests that fight any and every measure that would lower drug costs for consumers.

The question has been, how would the cost of medications in excess of the cap be paid for? And how would prescription costs be restrained? Without keeping cost increases restrained, any higher drug costs that exceed the cap would continue to balloon out of control. Surveys conducted by

TSCL find that 85% of survey participants think that Medicare should be allowed to negotiate prices and 83% think that prescription drug price increases should be restricted to the rate of inflation.

Medicare negotiates prices for virtually every other segment of healthcare, from hospital stays, doctor fees to durable medical equipment. Consider, why have pharmaceutical manufacturers been exempt from negotiating with Medicare? The same drug companies already negotiate prices with the Veterans Administration and state Medicaid programs.

TSCL is working to change that. What can you do? Let us know how much you spent out-of-pocket on drug costs in 2020. Please take our annual Senior Survey and let us know! Your survey responses help raise public awareness and that helps press Congress for change. Take the 2021 Senior Survey. ■

*Where Are All the COVID-19 Vaccines?
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enough vaccine to go around. There's nothing like the fear of shortages (even when that is not the case) to get people lining up.

The massive national initiative to vaccinate Americans against COVID-19 is underway, but "Operation Warp Speed" immediately hit inevitable speed bumps.

I found it upsetting to learn that thousands of doses (worth at least \$16.94 a piece and paid for by taxpayers) have been lost to spoilage and mishandling. It annoyed me to learn that the vaccine from Pfizer requires special syringes. (Those syringes

are in short supply and, as a result, the extra dose is often discarded.) In one case, 500 doses of the Moderna vaccine were deliberately allowed to spoil by a "troubled" hospital pharmacist, who was later arrested.

But in recent weeks, vaccine production and the number of people getting vaccinated has ramped up in my area. More vaccine is available and at more venues. In Virginia, the health department is regularly emailing those of us on the sign up list, and a health department worker called to give me the appointment dates and times for my disabled brother and his wife. Now when I call friends and neighbors, we happily compare notes about the vaccine and thoroughly discuss any side effects. So far, my family and friends have had very positive experiences. Most of us had nothing more than a sore arm for a day or so. But best part of the process was the shared sense that a heavy weight is finally lifting. We can look forward to hugging our family and friends!

Virtually every major healthcare initiative that I've

witnessed over the 26 years of writing the *Advisor* has encountered major issues that caused distress for us all, but eventually got ironed out, albeit months later. Our best advice to those of you who haven't gotten a vaccine is to contact your local health department, keep in touch with your primary care physician and pharmacies, and watch your local news for information about vaccine centers in your area.

Sources: "Intent to Get a COVID-19 Vaccine Rises to 60%," Cary Funk and Alec Tyson, Pew Research Center, December 3, 2020. "Biden Want to Squeeze an Extra Shot of Vaccine Out of Every Pfizer Vial. It Won't Be Easy," Christopher Rowland, The Washington Post, January 22, 2021. "Pharmacist Accused of Tampering With Vaccine Was Conspiracy Theorist, Police Say," Shaila Dewan and Kay Nolan, The New York Times, January 4, 2021. "COVID-19 Vaccine Supply Is Running Low," Nicholas, Florko, STAT, January 21, 2021.

*Will Stimulus Payments Make My Social Security Benefits Taxable?
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\$34,000. If your income is greater than \$34,000, up to 85% of your benefits may be taxed.

Ordinarily, additional income generally increases your adjustable gross income, but the stimulus checks are not considered taxable income by the IRS. Instead they are an advanced payment of a new

"recovery rebate" tax credit for 2020. In other words, the stimulus payments won't increase your AGI or your provisional income, and thus won't subject your Social Security benefits to greater taxation. You are also safe from additional taxation if you live in one of the few states that tax Social Security benefits.

If you are eligible for a first or second round stimulus

check but did not get it, or did not receive the full amount, you may be able to qualify for the "recovery rebate" credit on your 2020 tax return. You can claim the credit on your 2020 Form 1040 or Form 1040-SR. To learn more visit www.irs.gov. ■

SOCIAL SECURITY & MEDICARE QUESTIONS

Can You Tell Me My Full Retirement Age?

Q: I was born May 10, 1960. Can you tell me my retirement age? I've read that the retirement age for Social Security is rising. How does this affect the amount that I receive in benefits? Can I still retire and receive benefits at age 62?

A: The age at which individuals become eligible for full, un-reduced Social Security benefits is rising. Your full retirement age is based on the year when you were born and for people born in 1960 and later, the full retirement age is 67. The earliest age at which you can claim a retirement benefit is (still) 62. However, claiming benefits prior to your full retirement age comes with expensive trade-offs. It's unlikely to be your best choice if your aim is to maximize your retirement income.

Starting benefits prior to full retirement age means you receive benefits over a longer period of time, but the amount you get will be reduced. Delaying the start of your benefits until after age 67 until age 70 means a bigger check but paid out over a shorter period of time.

The chart, right, illustrates the rising retirement age and the impact of reductions prior to full retirement age.

In your case, you will receive your full benefit at age 67. But if you delay until age 70, you'll boost your full benefit by 8% each full year you delay after your full retirement age. There are other considerations as well. While you may work and receive benefits at the same time, if you are under full retirement age you are restricted in how much you may earn before your benefits will be reduced. Earn

more than the exempt amount (\$18,960 in 2021) and your benefit will be withheld for every \$2 in earnings above the limit. In addition, Social Security benefits may add to your taxable income. A portion of your benefits are taxable when your modified adjusted gross income is over \$25,000 (individual) or \$32,000 (married filing jointly).

Regardless of when you decide to start benefits, you should enroll

in Medicare when you turn age 65. Failure to enroll by your Medicare deadline may result in permanent enrollment penalties that you would add to the cost of your Medicare Part B premiums for the rest of the time you have Medicare.

For more information about your retirement age, and to use retirement calculator tools visit www.SSA.gov. ■

FULL RETIREMENT AND AGE 62 BENEFIT BY YEAR OF BIRTH

Year of birth	Full retirement age	Months between age 62 and full retirement age	At age 62 a \$1,000 retirement benefit would be reduced to	Retirement benefit is reduced by
1943–1954	66	48	\$750	25.00%
1955	66 and 2 months	50	\$741	25.83%
1956	66 and 4 months	52	\$733	26.67%
1957	66 and 6 months	54	\$725	27.50%
1958	66 and 8 months	56	\$716	28.33%
1959	66 and 10 months	58	\$708	29.17%
1960 and later	67	60	\$700	30.00%

Source: The Social Security Administration, www.ssa.gov/benefits/retirement/planner/agereduction.html