

2022 Social Security Guide



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FICA/Social Security & Medicare

	Social Security Tax	Medicare Tax	FICA Tax (total)
Employee portion	6.2%	1.45%	7.65%
Employer portion	6.2%	1.45%	7.65%
Totals	12.4%	2.9%	15.3%
Self-employed	12.4%	2.9%	15.3%
Totals	12.4%	2.9%	15.3%

Earned Income Subject to Tax

Year	Max Earned Income Subject to Social Security Tax
2022	147,000

Earnings Cap

Retirement Profile	2021	2022
Under full retirement age*	\$18,960	\$19,560
Retires in year when reaches FR	\$50,520	\$51,960
Full retirement age	No cap	No cap

* For workers under full retirement age, \$1 in benefits will be withheld for every \$2 in earnings above the cap.

COLA Increase

2021	1.3%
2022	5.9%

Full Retirement Age (FRA)

Year of Birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

Early Retirement Reduction at 62

Year of Birth	Percent of Reduction
1943-1954	25.00%
1955	25.83%
1956	26.67%
1957	27.50%
1958	28.33%
1959	29.17%
1960 or later	30.00%

* 5/9 of 1%: Benefits are reduced by 5/9 of 1% per month, up to a maximum of 36 months, depending on how many months remain until the taxpayer reaches FRA.

* 5/12 of 1%: If a taxpayer is more than 36 months from FRA, the reduction above is applied and for the remaining months until retirement the benefits are reduced to 5/12 of 1%.

Delayed Retirement Credits

Benefits increase 2/3 of 1% each month, or 8% each year, for a taxpayer born in 1942 or later.

Age of Client	Increase in Primary Insurance Amount (PIA)
66 Delay to 70	132%
67 Delay to 70	124%
68 Delay to 70	116%
69 Delay to 70	108%

*Don't just plan it. Do it.*TM

This material is intended for informational purposes only. Please contact your financial professional for more information specific to your situation. Securities and advisory services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser.

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Survivor Benefits*

Age of Survivor	Percentage of Benefit
60	71.5%
61	76.3%
62	81.0%
63	85.8%
64	90.5%
65	95.3%

*Based on an FRA of 66

Benefits for Divorced Spouses*

Ex-spouse must be at least age 62 before applying, but does not have to wait until the other spouse applies for benefits.

- An ex-spouse:
- must have been married at least ten years
 - must have been divorced at least two years

*does not reduce primary ex-spouse's benefit

Spousal Benefits

The spousal benefit is based on 50% of the other spouse's PIA

Step 1: Take higher wage earner's PIA

Step 2: Multiply by 0.50

Step 3: This equals the "Spousal Base"

Step 4: Take the "Spousal Base" found in Step 3 and subtract the second spouses PIA

Step 5: The difference between 50% of Spouse A's benefits and Spouse B's PIA = The Spousal Benefit

Medicare Premiums

The standard Part B premium for 2022 is \$148.50. If you're single and filing an individual tax return, or married and filed a joint tax return, the following chart applies:

Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium	R _x Coverage Premium
2022		
Ind.: \$91,000 or less Married: \$182,000 or less	\$170.10	Plan Premium
Ind.: \$91,000 - \$114,000 Married: \$182,000 - \$228,000	Standard Premium + \$68	\$12.40 + your plan premium
Ind. - \$114,000 - \$142,000 Married - \$228,000 - \$284,000	Standard Premium + \$170.10	\$32.10 + your plan premium
Ind. - \$142,000 - \$170,000 Married - \$284,000 - \$340,000	Standard Premium + \$272.20	\$51.70 + your plan premium
Ind. - \$170,000 - \$500,000 Married - \$340,000 - \$750,000	Standard Premium + \$374.20	\$71.30 + your plan premium

Taxation of Social Security Benefits

Combined Income

	Adjusted gross income (AGI, line 37 on Form 1040)
+	Nontaxable interest
+	Half of Social Security benefits
=	Combined Income

Filing Status	Combined Income	Percent of Income Subject to Taxes
Single, Head of Household, Qualifying Widow	\$25,000 - \$34,000	Up to 50% of Social Security Benefits
Single, Head of Household, Qualifying Widow	More than \$34,000	Up to 85% of Social Security Benefits
Married Filing Joint	\$32,000 - \$44,000	Up to 50% of Social Security Benefits
Married Filing Joint	More than \$44,000	Up to 85% of Social Security Benefits

Sign-up for your Social Security Profile

Visit www.ssa.gov and follow the steps below:

- You will need the following:
- Valid E-mail address
 - Social Security number
 - U. S. Mailing address

1. Click on  along the bottom left of the SS homepage.

2. Click on [Create an Account](#)

3. Click on [Create An Account](#), follow prompts.

Medicare Premiums Cont.

If you're married and lived with your spouse at some time during the taxable year, but filed separate tax returns, the following applies:

Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium	R _x Coverage Premium
2022		
Ind. - \$91,000 or less	\$170.10	Plan Premium
Ind. - \$91,000 - \$409,000	Standard Premium + \$374.10	\$71.30 + your plan premium
Ind. - \$409,000 or greater	Standard Premium + \$408.20	\$77.90 + your plan premium