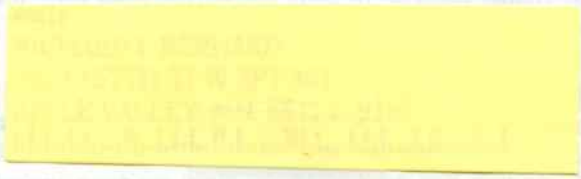




Your Social Security Statement

Prepared especially for **Richard I. Bernard**

February 13, 2001



See inside for your personal information →

What Social Security Means to You

We're sending you this *Social Security Statement* to help you understand what Social Security means to you and your family. We hope you'll use it in planning your financial future. Each year, about three months before your birthday, we'll send you a new *Statement* showing your updated earnings record and your potential benefits.

Be sure to read this *Statement* carefully. If you think there may be a mistake, please let us know. That's important because your benefits will be based on our record of your lifetime earnings. Remember, the future's in your hands when you read your *Social Security Statement*.

Social Security is for people of all ages ...

It can help you whether you're young or old, male or female, single or with a family. It's there for you when you retire, but it's more than a retirement program. Social Security can provide benefits if you become disabled and support your family when you die.

Work to build a secure future ...

Social Security is the largest source of income for most elderly Americans and plays a major role in keeping them out of poverty. But Social Security can't do it all. Social Security was not intended to be the sole source of income when you retire. You'll also need a pension, savings or investments. Think of Social Security as a foundation on which to build your financial future.

About Social Security's future ...

Will Social Security be there when you retire? Of course it will. But changes will be needed to meet the demands of the times. We're living longer and healthier lives, 76 million "baby boomers" will start retiring in about 2010, and in about 30 years, there will be nearly twice as many older Americans as there are today.

Social Security now takes in more in taxes than it pays out in benefits. The excess funds are credited to Social Security's trust funds, which are expected to grow to over \$4 trillion before we need to use them to pay benefits. In 2015, we'll begin paying more in benefits than we collect in taxes. By 2037, the trust funds will be exhausted and the payroll taxes collected will be enough to pay only about 72 percent of benefits owed. We'll need to resolve long-range financial issues to make sure Social Security will provide a foundation of protection for future generations as it has done in the past.

Social Security On The Net ...

Be sure to visit www.ssa.gov on the Internet to use the *Benefit Planners* to help you plan your financial future; calculate customized estimates of your future benefits; apply for retirement benefits; subscribe to *eNews* for up-to-date news about Social Security programs and benefits; and correct or change your name on your Social Security card or get a replacement card by requesting a form SS-5. We will continue to add online services to make it as easy and convenient as possible for you to do business with us.

William A. Halter

William A. Halter
Acting Commissioner of Social Security

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Your Estimated Benefits

To qualify for benefits, you earn "credits" through your work — up to four each year. This year, for example, you earn one credit for each \$830 of wages or self-employment income. When you've earned \$3,320, you've earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven't earned enough yet to qualify for any type of benefits, we can't give you an estimate now. If you continue to work, we'll give you an estimate when you do qualify.

What we assumed — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2001 and your earnings up to retirement, we assumed you'll continue to work and make about the same in future years as you did in 1999 or 2000. We also included credits we assumed you earned last year and this year.

We can't provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates stated below because —**

(1) Your earnings may increase or decrease over the years.
 (2) Your benefit figures shown here are only estimates based on current law. The laws governing benefit amounts may change because, by 2037, the payroll taxes collected will be enough to pay only about 72 percent of benefits owed.

(3) Factors, such as **a pension for work not covered by Social Security, some military service or credit for railroad employment**, may affect your benefit amount.

Generally, estimates for older workers are more accurate than those for younger workers because they're based on a longer earnings history with fewer uncertainties, such as earnings fluctuations and future law changes.

These estimates are in today's dollars. As you receive benefits, they will be adjusted for cost-of-living increases.

▼ **Retirement** You have earned enough credits to qualify for benefits. At your current earnings rate, if you stop working...

At age 62, your payment would be about \$ 1,294 a month

If you continue working until . . .

your full retirement age (65 and 6 months), your payment would be about . . . \$ 1,698 a month

age 70, your payment would be about \$ 2,307 a month

Note: When you continue working beyond your retirement age, your benefit may increase because of your additional earnings. If you delay receiving benefits until age 70, your benefit will increase because of the special credits you'll receive for delaying retirement. This increased benefit could be important to you later in life. It also could increase the future benefit amounts your family and survivors could receive.

▼ **Disability** You have earned enough credits to qualify for benefits. If you become disabled right now...

Your payment would be about \$ 1,656 a month

▼ **Family** If you get retirement or disability benefits, your spouse and children may also qualify for benefits.

▼ **Survivors** You have earned enough credits for your family to receive the following benefits if you die this year.

Total family benefits cannot be more than \$ 2,921 a month

Your child \$ 1,252 a month

Your spouse who is caring for your child \$ 1,252 a month

Your spouse who reaches full retirement age \$ 1,670 a month

Your spouse or minor child may be eligible for a special one-time death benefit of \$255.

▼ **Medicare** You have earned enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.

We based your benefit estimates on these facts:

Your name
 Your date of birth
 Your estimated taxable earnings per year after 2001 . . .
 Your Social Security number

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you are entitled.

▼ **Review this chart carefully** using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete.

Some or all of your earnings from **last year** may not be shown on your *Statement*. It could be that we were still processing last year's earnings reports

when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.

▼ **There's a limit on the amount of earnings on which you pay Social Security taxes each year.** The limit increases yearly. Only the maximum taxable amount will appear on your earnings chart. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, **all** of your earnings are taxed for Medicare.)

▼ **Call us right away** at 1-800-772-1213 (7 a.m. — 7 p.m.) if any earnings for years **before last year** are shown incorrectly. If possible, have your W-2 or tax return for those years handy. (If you live outside the U.S., follow the directions at the bottom of Page 4.)

Your Earnings Record at a Glance

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings	Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1958	\$ 4		1980	\$ 25,900	\$ 25,900
1959	38		1981	29,700	29,700
1960	793		1982	23,258	23,258
1961	1,079		1983	7,582	7,582
1962	1,031		1984	37,800	37,800
1963	2,341		1985	39,600	39,600
1964	4,800	Medicare began	1986	42,000	42,000
1965	4,800	in 1966	1987	43,800	43,800
1966	6,498	\$ 6,498	1988	45,000	45,000
1967	6,600	6,600	1989	48,000	48,000
1968	7,800	7,800	1990	51,300	51,300
1969	7,800	7,800	1991	53,400	64,453
1970	7,800	7,800	1992	55,500	67,970
1971	7,800	7,800	1993	57,600	73,988
1972	9,000	9,000	1994	60,600	72,614
1973	10,800	10,800	1995	61,200	74,776
1974	13,200	13,200	1996	62,700	78,459
1975	14,100	14,100	1997	65,400	83,146
1976	15,300	15,300	1998	68,400	87,616
1977	16,500	16,500	1999	72,600	89,442
1978	17,700	17,700	2000	Not yet recorded-	
1979	22,900	22,900			

Totals over your working career:

Estimated taxes for Social Security:

You paid: \$65,375

Your employers paid: \$65,671

Estimated taxes paid for Medicare:

You paid: \$16,799

Your employers paid: \$16,831

Note: If you are self-employed, you pay the total tax on your net earnings.



Some Facts About Social Security

About Social Security and Medicare ...

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Health Care Financing Administration, helps pay for inpatient hospital care, nursing care, doctors' fees and other medical services and supplies to people over 65 or to people who have received Social Security disability benefits for two years. Your Social Security covered earnings qualify you for both programs.

Here are some facts about Social Security's benefits:

▼ **Retirement** — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 or later.

Some people retire before their full retirement age. They can retire as early as age 62 and take their benefits at a reduced rate. Others continue working after their full retirement age. They receive higher benefits because of additional earnings and special credits for delayed retirement.

▼ **Disability** — If you become disabled before full retirement age, you can receive disability benefits after six months if you have:

- enough work credits before becoming disabled; and
- a physical or mental impairment that's expected to prevent you from doing "substantial" work for a year or more or result in death.

▼ **Family** — If you're eligible for disability or retirement benefits, your current or divorced spouse, minor children or adult children disabled before age 22 also may receive benefits. Each may qualify for up to 50 percent of your benefit amount. The total amount depends on how many family members qualify.

▼ **Survivors** — When you die, certain members of your family may be eligible for benefits:

- your spouse age 60 or older (50 or older if disabled, or any age if caring for your children under age 16); and
- your children if unmarried and under age 18, still in school and under age 19 or adult children disabled before age 22.

If you are divorced, your ex-spouse could be eligible for a widow's or widower's benefit on your record when you die.

Receive benefits and still work ...

You can continue to work and get retirement or survivors benefits. If you're under your full retirement age, there are limits on how much you can earn without losing some or all of your benefits. The limits change each year. When you apply for benefits, we'll tell you what the limits are at that time and whether work would affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

Before you decide to retire ...

Think about your benefits for the long term. Everyone's situation is different. For example, be sure to consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your benefits will be permanently reduced. However, you'll receive benefits for a longer period of time.

To help you decide when is the best time for you to retire, we offer a free booklet, *Social Security — Retirement Benefits* (Publication No. 05-10035), that provides specific information about retirement.

There are other free publications that you may find helpful, including:

- ▼ *Basic Facts* (No. 05-10080) — basic facts about Social Security and how to get more information;
- ▼ *Understanding The Benefits* (No. 05-10024) — a general explanation of all Social Security benefits;
- ▼ *How Your Retirement Benefit Is Figured* (No. 05-10070) — an explanation of how you can calculate your benefit;
- ▼ *A Pension From Work Not Covered By Social Security* (No. 05-10045) — how it affects your retirement or disability benefits;
- ▼ *Government Pension Offset* (No. 05-10007) — explanation of a law that affects spouse's or widow(er)'s benefits; and
- ▼ *When Someone Misuses Your Number* (No. 05-10064) — what to do if you're a victim of identity theft.

We also have leaflets and factsheets with information about specific topics such as military service, self-employment or foreign employment. You can get our publications at www.ssa.gov or by calling us at 1-800-772-1213.

If you need more information or want to request this Statement in Spanish (Para solicitar Su Declaración en español)...

Visit www.ssa.gov/mystatement, call us at 800-772-1213 or write to Social Security Administration, Office of Earnings Operations, P.O. Box 33026, Baltimore, MD 21290-3026. If you're deaf or hard of hearing, call TTY 1-800-325-0778. If your address is incorrect on this Statement, ask the IRS to send you Form 8822. We don't keep your address if you're not receiving Social Security Benefits.

Thinking Of Retiring? Consider Your Options.



What You Need To Consider

As you approach the age when you can receive Social Security retirement benefits, you have options to consider and decisions to make. Before making your retirement decision, we hope you will consider all the options.

There are important questions you need to ask yourself. At what age do you want to begin receiving benefits? Do you want to stop working and receive benefits? Do you want to work and receive benefits at the same time? Or do you want to work beyond your full retirement age and delay receiving benefits?

When you continue working beyond full retirement age, your benefit may increase because of your additional earnings. If you delay receiving benefits, your benefit will increase because of the special credits you will receive for delaying your retirement. This increased benefit could

be important to you later in your life. It also could increase the future benefit amounts your family and survivors could receive.

Each person's retirement situation is different. It depends on circumstances such as health, financial needs and obligations, family responsibilities, amount of income from work and other sources. It also may depend on the amount of your Social Security benefit.

I hope the following information will help you in considering your options in making a retirement decision.

About The Options

Retiring At Full Retirement Age—To retire, you must have earned 40 credits. See the table below to determine your full retirement age.

Year of birth*	Full retirement age
1937 (or earlier)	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
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	67

*Refer to the previous year if you were born on January 1.

Retiring Early—If you've earned 40 credits, you can start receiving Social Security benefits at 62 or at any month between 62 and full retirement age. However, your benefits will be permanently reduced based on the number of months you receive benefits before you reach full retirement age. If you retire before your full retirement age of 65, your benefits will be reduced:

20 percent at age 62;
13 $\frac{1}{3}$ percent at age 63; or
6 $\frac{2}{3}$ percent at age 64.

If your full retirement age is 66, they will be reduced:

25 percent at age 62;
20 percent at age 63;
13 $\frac{1}{3}$ percent at age 64; or
6 $\frac{2}{3}$ percent at age 65.

Receiving Retirement Benefits While You Work—You can work while receiving monthly benefits. And it could mean a higher benefit that can be important to you later in your life

and increase the future benefits your family and survivors could receive.

We'll review your record each year to see whether the additional earnings will increase your monthly benefit. If there's an increase, we'll send you a notice of your new benefit amount. Earnings in or after the month you reach full retirement age won't reduce your Social Security benefits. However, if you receive benefits before reaching your full retirement age, your benefit amount will be reduced.

- In the year you reach full retirement age, but before your birth month, \$1 in benefits will be deducted for each \$3 you earn above the annual limit (\$17,000 in 2000, \$25,000 in 2001, \$30,000 in 2002). For example, if you reach full retirement age in June 2001 and continue to work, your benefits for January through May will be reduced \$1 for each \$3 you earn above \$25,000. After that, **your benefits will not be reduced, no matter how much you earn.**
- In the years before you reach full retirement age, \$1 in benefits will be deducted for each \$2 you earn above the limit (\$10,080 in 2000 and rises each year).

If you lose benefits because of work, your benefit will be increased later to account for the months you didn't receive a benefit before reaching full retirement age.

Delaying Retirement—You may decide to continue working beyond your full retirement age without choosing to receive benefits. If so, your benefit will be increased by a certain percentage for each month you don't receive benefits between your full retirement age and age 70. This table shows the rate your benefits increase if you delay retiring.

Year of birth	Yearly Increase Rate
1929 - 1930	4.5%
1931 - 1932	5%
1933 - 1934	5.5%
1935 - 1936	6%
1937 - 1938	6.5%
1939 - 1940	7%
1941 - 1942	7.5%
1943-or later	8%

Applying For Social Security Retirement Benefits And Medicare—It's best to contact Social Security three months before the month in which you want to file for retirement benefits to discuss the options that are available to you. In

some cases, your choice of retirement month could mean additional benefits for you and your family.

Even if you don't plan to receive benefits because you'll continue working, you should sign up for Medicare three months before reaching age 65. Otherwise, your Medicare medical insurance (Part B) could be delayed and you could be charged a higher premium.

How To Apply For Retirement Benefits—You can file your retirement claim on the Internet at www.ssa.gov/planners or by calling **1-800-772-1213** between 7 a.m. and 7 p.m. Monday through Friday.

Be sure to have these items handy: your Social Security number, birth certificate, W-2 forms or self-employment tax return for last year, and your bank name and account number so your benefits can be deposited directly into your account. You also can file your claim at any Social Security office.

If you're deaf or hard of hearing, call **1-800-325-0778** between 7 a.m. and 7 p.m. Monday through Friday to file your claim.

In addition to the information listed above, you will need—

- Your military discharge papers if you had military service;
- Your spouse's birth certificate and Social Security number and your marriage certificate if he or she is applying for benefits; and
- Proof of U.S. citizenship or lawful alien status if you were not born in the U.S.

You will need to mail or deliver original documents or copies that have been certified by the issuing office to a Social Security office.

Need More Information—You also have options for getting information about Social Security and retirement. When you visit our website, www.ssa.gov, click on the Benefits Planners to estimate your Social Security benefits, find answers to frequently asked questions about Social Security, learn about factors that could affect your benefits and much more. And you can get information about Social Security by visiting a local Social Security office or by calling **1-800-772-1213**.

You also can print these publications from our website.

- *Retirement* (Publication No. 05-10035);
- *How Your Retirement Benefit is Figured* (Publication No. 05-10070); and
- *How Work Affects Your Benefits* (Publication No. 05-10069).