



### **The Many Faces of Social Security**

- About 158 million workers contribute to Social Security through payroll taxes.
- More than 55 million people receive monthly Social Security benefits, including:
  - 38 million receive retirement benefits
  - 4.2 million surviving spouses and parents
  - 10.5 million disabled workers and their dependants
  - 4.3 million children younger than 18 receive Social Security benefits as dependents of deceased, disabled or retired workers.

### **Average 2011 Monthly Social Security Benefit**

- A retired worker: \$1,174
- A retired couple: \$1,907
- Disabled worker: \$1,067
- Disabled worker with spouse and child: \$1,813
- Widow or widower: \$1,133
- Young widow or widower with two children: \$2,409
- Maximum Monthly Social Security Benefit: \$2,366 (for worker retiring at Full Retirement Age).

*Did you know?* Social Security is an extremely efficient program, with administrative costs of only 0.9% of total expenditures!

### **Social Security Cost of Living Adjustment (COLA) for 2012: 3.6%**

#### **2012 Social Security & Medicare Contribution Amounts**

- Social Security: 6.2% for workers, which is matched by employers at a rate of 6.2%, unless Congress extends the 2011 rate of 4.2% for workers. This contribution is paid on earnings up to \$110,100.
- Medicare: 1.45% for both workers and employers on all wages.

#### **2012 Social Security Eligibility:**

- Full Retirement Age: 66
- Early Retirement Age: 62. Taking early retirement can reduce Social Security benefits up to 30 percent.

#### **Social Security: When & How to Apply for Benefits**

- You should apply for Social Security benefits three months before the date you want your benefits to start. You can apply in one of the following ways:
  - Visit your local Social Security office. Call 1-800-772-1213 to find the office nearest your location.
  - Call Social Security at 1-800-772-1213. If you are deaf or hard of hearing, you can call Social Security at TTY 1-800-325-0778.
  - Go Online: <https://secure.ssa.gov/apps6z/iClaim/rib>

## The Many Faces of Medicare

- About 158 million workers contribute to Medicare through payroll taxes.
- More than 47 million people receive Medicare benefits, including:
  - 39.6 million individuals 65 and over
  - 7.9 million disabled individuals.

### 2012 Medicare Part A (Hospital Coverage)

- Deductible: \$1,156 (first 60 days of Medicare-covered inpatient hospital care)
- Copayment: 10%

### 2012 Medicare Part B (Physician Coverage)

Individual's Income	Couple's Income	Your 2012 Part B Monthly Premium
\$85,000 or less	\$170,000 or less	\$99.90
\$85,001-\$107,000	\$170,001-\$214,000	\$139.90
\$107,001-\$160,000	\$214,001-\$320,000	\$199.80
\$160,001-\$214,000	\$320,001-\$428,000	\$259.70
Above \$214,000	Above \$428,000	\$319.70

**For all Beneficiaries:**  
Part B deductible is \$140 and the Part B copayment is 20%.

### 2012 Medicare Part D (Prescription Drug Coverage)

- Monthly Premium: On average, \$30 (amounts vary by plan).
- Deductible: \$320.
- Doughnut Hole: \$2,930 - \$6,657.50. The new health law mandates that beneficiaries in the doughnut hole receive a 50% discount on drug prices from manufacturers for brand name drugs and 14% subsidy from drug plans for generics.
- Cap on Out-of-pocket Costs: \$4,700 (this includes what beneficiaries pay -- deductible and copayments -- plus drug discounts)
- In addition to a monthly premium, high-income individuals will pay an income-related monthly adjustment amount as noted below:

Individual's Income	Couple's Income	Income-related monthly adjustment amount
\$85,000 or below	\$170,000 or below	\$0.00
\$85,001 - \$107,000	\$170,001 - \$214,000	\$11.60
\$107,001 - \$160,000	\$214,001 - \$320,000	\$29.90
\$160,001 - \$214,000	\$320,001 - \$428,000	\$48.10
Above \$214,000	Above \$428,000	\$66.40

### Medicare: When & How to Apply for Benefits

- Generally, Medicare is available for people age 65 or older, younger people with disabilities and people with End Stage Renal Disease. If you are already receiving Social Security retirement benefits, you will be automatically enrolled in Medicare Parts A and B. If you want to apply for Medicare, call the Social Security Administration (1-800-772-1213) or visit their website: <http://www.socialsecurity.gov/medicareonly>.

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