

# Table of Contents

<b>Introduction .....</b>	<b>1</b>
Social Security for 2011 .....	1
No COLA in 2010 and 2011 .....	1
<b>Calculating benefits.....</b>	<b>3</b>
Average Indexed Monthly Earnings (AIME) .....	3
Primary Insurance Amount (PIA).....	4
The ballpark calculation .....	5
<b>When to start drawing benefits.....</b>	<b>5</b>
Full retirement age .....	5
Early retirement.....	6
Social Security benefit calculator .....	6
Late retirement .....	7
Break-even ages .....	7
Needing the money now! .....	8
Taking benefits and investing – and paying tax on them .....	8
<b>Working while drawing benefits.....</b>	<b>9</b>
Special rule for first year of retirement .....	10
Special payments.....	10
<b>Reduced benefits for recipients of government pensions .....</b>	<b>10</b>
Losing part of retiree's benefit.....	11
The WEP.....	11
The GPO.....	14
<b>The effect of marital status.....</b>	<b>14</b>
Did you know? .....	14
Still married and spouse still living.....	14
Widow(er) .....	15
Divorced spouses .....	15
Benefit recomputation .....	16
Remarriage after age 60.....	17
Maximize Social Security benefits by comparing both spouses' accounts.....	17
Other considerations .....	18
<b>Benefits for children under 19.....</b>	<b>19</b>
Which children qualify? .....	19
Family limits .....	20
Representative payees .....	20
Fee for services performed as a representative payee .....	20
Fee limits for 2011 .....	21
Meeting the child's needs.....	21
Keeping records and reporting use of benefits .....	21
SSA may ask for the money back.....	21
<b>Repaying benefits now for greater benefits later .....</b>	<b>22</b>
Why ask for a change?.....	22
How to make the request .....	22
Changing again.....	23
Medicare .....	23
<b>Military benefits.....</b>	<b>23</b>
Special extra earnings .....	24

Military and other benefits .....	24
<b>Survivors benefits .....</b>	<b>24</b>
Who is eligible?.....	24
Widow(er).....	24
Children .....	24
Parents.....	25
Divorced spouses.....	25
Limitations .....	25
One-time death payment .....	25
<b>Social Security disability benefits .....</b>	<b>25</b>
Who qualifies? .....	25
When do payments start?.....	26
The amount of the payment.....	27
Disability beneficiaries' earnings limits .....	27
Already age 62? .....	27
Claim denied.....	28
Medicare .....	28
Social Security disability payments subject to offset.....	28
How it works.....	28
Computation of reduction .....	29
Ages 62 and over.....	29
<b>Social Security and Medicare .....</b>	<b>30</b>
Shared eligibility .....	30
Deducting premiums from Social Security payments .....	30
<b>Social Security and household employees.....</b>	<b>30</b>
Reporting requirements .....	30
IRS.....	31
EDD.....	31
SSA.....	31
<b>Taxation of Social Security benefits.....</b>	<b>32</b>
Base amount.....	32
Adjusted base amount.....	33
Who is taxed?.....	33
Special rules for U.S. citizens living abroad and nonresident aliens .....	33
<b>Tax treatment of repayments .....</b>	<b>35</b>
<b>Tax planning for Social Security benefits .....</b>	<b>36</b>