

# nuveen

A TIAA Company

**2024**

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# Social Security quick reference

**NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE**

This guide provides general tax information. Nuveen is not a tax advisor.

## Full retirement age (FRA)\*

Year of birth	FRA
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

\*For individual and spousal benefits. FRA for survivor benefits may differ.

## Benefit by year of birth (at age 62)

Year of birth	Retirement benefit reduced by	Monthly rate of decrease	Spouse's benefit reduced by	Monthly rate of decrease
1943 – 1954	25.00%	Benefit is reduced by 5/9 of 1% for the first 36 months and 5/12 of 1% for months 37 to FRA	30.00%	Benefit is reduced by 25/36 of 1% for the first 36 months and 5/12 of 1% for months 37 to FRA
1955	25.83%		30.83%	
1956	26.67%		31.67%	
1957	27.50%		32.50%	
1958	28.33%		33.33%	
1959	29.17%		34.17%	
1960 or later	30.00%		35.00%	

## Delayed retirement

*If an individual chooses to delay receipt of retirement benefit payments once he or she reaches FRA, this results in higher monthly benefit payments in the future. Please note that the Social Security Administration ceases applying credits that result in increased future payments once the retiree reaches age 70.*

Year of birth	Yearly rate of increase	Monthly rate of increase
1943 or later	8.0%	2/3 of 1%

## Annual adjustments

	2021	2022	2023	2024
FICA wage base	\$142,800	\$147,000	\$160,200	\$168,000
SS employee tax			6.2%	
SS employer tax			6.2%	
Cost of living adjustments (COLA)	1.3%	5.9%	8.7%	3.2%
Average monthly beneficiary payments: all retirees	\$1,543	\$1,657	\$1,827	\$1,841
Average monthly beneficiary payments: aged couples, both receiving benefits	\$2,596	\$2,753	\$2,972	\$3,033
Maximum benefit at FRA	\$3,148	\$3,345	\$3,627	\$3,822

Cost of living adjustments (COLA): Monthly benefits are adjusted for inflation by using COLA to offset the impact of inflation on a beneficiary's purchasing power. It is based on the percentage increase in the consumer price index for urban wage earners and clerical workers (CPI-W).

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## Social Security taxes 2023

$$\text{Combined income} = \text{Modified adjusted gross income (MAGI)} + \frac{1}{2} \text{ of Social Security benefits} + \text{Nontaxable interest income}$$

Filing status	Combined income	Amount subject to tax
Married filing jointly	Under \$32,000	0
	\$32,000 – \$44,000	Up to 50%
	Over \$44,000	Up to 85%
Single, head of household, qualifying widow(er), married filing separately & living apart from spouse	Under \$25,000	0
	\$25,000 – \$34,000	Up to 50%
	Over \$34,000	Up to 85%
Married filing separately and living with spouse	No base	Up to 85%

## Earned income benefit reduction

	2021	2022	2023	2024
At or above FRA	No limit on earnings			
Under FRA	\$18,960/yr (\$1,580/mo)	\$19,560 (\$1,630/mo)	\$21,240/yr (\$1,770/mo)	\$22,320/yr (\$1,860/mo)
	For every \$2 over limit, \$1 is withheld			
In the year you reach FRA	\$50,520/yr (\$4,210/mo)	\$51,960 (\$4,330/mo)	\$56,520/yr (\$4,710/mo)	\$59,520/yr (\$4,960/mo)
	For every \$3 over the limit, \$1 is withheld from benefits until the month you reach FRA			

## Windfall elimination provision (WEP)

For those turning 62 in 2024, the maximum monthly benefit reduction is lesser of \$587 or 50% of uncovered pension benefits. The numbers in this table are the maximum reduction a person who turns 62 in each of these years could experience due to WEP.

Years contributed to Social Security	2021	2022	2023	2024
20 and below	\$498	\$512	\$558	\$587
21	\$448	\$461	\$502	\$528
22	\$398	\$410	\$446	\$470
23	\$348	\$358	\$390	\$411
24	\$298	\$307	\$335	\$352
25	\$249	\$256	\$279	\$294
26	\$199	\$205	\$223	\$235
27	\$149	\$154	\$167	\$176
28	\$99	\$102	\$112	\$117
29	\$50	\$51	\$56	\$59
30 and above	\$0	\$0	\$0	\$0

The amounts in this chart do not reflect the effect of cost-of-living adjustments (COLA), early retirement, delayed retirement, or other factors. Earnings for a given year must be "substantial" as defined by the Social Security Administration, i.e. \$29,700 for 2023.

## Government pension offset (GPO)

Applies to workers who are eligible to receive an uncovered pension and Social Security spousal or survivor benefits. Benefits are reduced by 2/3 of uncovered benefit amount. The provision only applies to pension amounts from work not covered by Social Security.

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## Eligible dependents and rules

*It is important to note that the primary recipient's benefits are never affected by their dependents collecting on their Social Security record.*

### To be eligible, must meet the following requirements

Spouse (normal)	<ul style="list-style-type: none"><li>• At least 62 years old, or</li><li>• Caring for a disabled child, or</li><li>• Caring for a child under 16 years of age</li></ul>
Children	<ul style="list-style-type: none"><li>• Unmarried under the age of 18, or up to 19 if attending high school</li><li>• Unmarried and disabled prior to the age of 22</li></ul>
Ex-spouse (normal)	<ul style="list-style-type: none"><li>• Not currently married</li><li>• At least 62 years old</li><li>• Ex-spouse is at least 62 years old and eligible for benefits</li><li>• The marriage lasted 10 years or more</li><li>• Has been divorced for at least two years**</li></ul>
Survivor (spouse)	If the deceased was eligible to collect Social Security benefits: <ul style="list-style-type: none"><li>• Full benefits at FRA or reduced benefits as early as age 60</li><li>• Eligible to collect reduced benefits as early as 50 if disabled and the disability started prior to or within seven years of the worker's death</li><li>• May collect benefits at any age if they care for the deceased worker's child who is under age 16 or is disabled and receives benefits on the worker's record</li></ul>
Survivor (divorced)	If the deceased was eligible to collect Social Security benefits: <ul style="list-style-type: none"><li>• Benefits will be the same as a surviving spouse assuming the marriage lasted for at least 10 years</li><li>• If the divorced survivor remarries after age 60 (age 50 if disabled), the remarriage will not affect eligibility for survivors benefits</li></ul>
Family annual maximum	The maximum family benefit is the maximum monthly amount that can be paid on a worker's earnings record (150% to 188% of the worker's PIA***).
Computation of retirement and survivor family maximum	For the family of a worker who becomes age 62 or dies in 2024 before attaining age 62, the total amount of benefits payable will be computed so that it does not exceed: <ul style="list-style-type: none"><li>• 150 percent of the first \$1,500 of the worker's PIA***, plus</li><li>• 272 percent of the worker's PIA over \$1,500 through \$2,166, plus</li><li>• 134 percent of the worker's PIA over \$2,166 through \$2,825, plus</li><li>• 175 percent of the worker's PIA over \$2,825</li></ul>

\*Immediate eligibility if collecting a spousal benefit from and ex-spouse and remarries.

\*\*Applies only if ex-spouse isn't collecting their benefit.

\*\*\*The primary insurance amount (PIA) is the sum of three separate percentages of portions of the AIME (averaged index monthly earnings). While the percentages of this PIA formula are fixed by law, the dollar amounts in the formula change annually with changes in the national average wage index. These dollar amounts, called "bend points," determine the portions of the AIME. The AIME is an average of up to 35 years of a worker's highest indexed earnings.

## Social Security recipients options and strategies

Strategy	Definition
Early retirement	Beneficiaries have the ability to collect benefits starting as early as age 62. If benefits are collected before FRA, recipients face an early retirement penalty that will permanently be reflected in their monthly benefits.
Full retirement age (FRA)	To qualify for full retirement benefits, the recipient must satisfy the age requirement, which varies depending on year of birth.
Delayed retirement	Those that choose to delay collecting benefits once FRA has been reached will experience increases in monthly benefits for every month delayed, up to age 70.
File and suspend	Under the Bipartisan Budget Act, this strategy was completely phased out on May 1st, 2016. The strategy involved one spouse reaching FRA, filing for Social Security benefits, and immediately suspending the claim. This enabled the other spouse (at least 62) to collect spousal benefits. At age 70, the 'suspended' spouse began receiving benefits at an increased rate due to delayed credits. This is no longer possible, since the Social Security Administration no longer allows a spouse to receive spousal benefits while the other spouse has suspended his or her retirement benefits.
Restricted application	Please note that this strategy is no longer available for those who reach age 62 on or after January 2, 2016. When one spouse reaches FRA, they can file for spousal benefits only (restrict the application). This allows their own benefits to grow through delayed credits while receiving spousal benefits. Once they reach age 70, they switch from the spousal benefit to their own larger primary benefit. It is important to note that one of the spouses must have filed for their benefits in order for the other spouse to make a spousal benefit claim if they are married. If the couple is divorced, to make a spousal benefit claim, the other individual must be eligible for benefits, but does not have to file. Pursuant to the <i>Bipartisan Budget Act of 2015</i> , restricted application will not be allowed for those who reach age 62 on or after January 2, 2016. Any person not meeting this age requirement who is entitled to both spousal benefits and their own social security retirement benefit (based on their own work record) will be deemed to have filed for both benefits and will receive whichever benefit is larger.

## Disability benefit guidelines

### To be eligible, must meet the following requirements

Disability benefits	To qualify for Social Security disability benefits, the employee must be covered by Social Security under their employer, and they must have a medical condition that meets the Security Administration's definition of disability. Once FRA is reached, disability benefits automatically convert to retirement benefits and the amount remains the same. Spouses, children and ex-spouses, as defined on the previous page, are eligible to receive benefits.
Maximum family benefits	The family maximum for disability benefits ranges from 100% to 150% of the worker's PIA.

Nuveen  
333 West Wacker Drive  
Chicago, IL 60606  
312.917.7700  
nuveen.com

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