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**Amundi
Pioneer**

ASSET MANAGEMENT

2020 Social Security Benefits Client Pocket Guide

Calculating Social Security Benefits

Work Requirements to Receive Social Security Benefits

- 40

The number of quarters of work that a worker needs in order to be eligible for full Social Security retirement benefits.
- 35

Social Security averages the 35 highest years of earnings. Years in which there are no earnings may be counted by adding in "zero years" to bring the total to 35 years.

Quarter of Coverage

	2019	2020
Earnings needed to obtain one Social Security credit	\$1,360	\$1,410

Maximum Taxable Earnings

	2019	2020
Maximum taxable earnings subject to Social Security payroll taxes	\$132,900	\$137,700
Medicare (Hospital Insurance only)	No Limit	No Limit

Maximum Social Security Benefit

	2019	2020
Worker retiring at Full Retirement Age (FRA)	\$2,861/month ¹	\$3,011 ¹

¹ A decrease in full maximum benefits occurs when there is no cost of living adjustment (COLA) but there is an increase in the National Average Wage Index.

Monthly Average Social Security Benefits

Estimated Benefit	2020
All Retired Workers	\$1,503
Retired Couple, Both Receiving Benefits	\$2,531
Retired Widow(er) Alone	\$1,422

Social Security and Medicare Tax Withholdings while Working

Tax Rate	Social Security	Medicare	Total
Employee	6.20%	1.45%	7.65%
Self Employed	12.40%	2.90%	15.30%

The Social Security portion is taxable up to the maximum taxable earnings amount (see above). The Medicare portion (HI) is 1.45% on all earnings. The tax rates shown above do not include the 0.90% for individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly). These taxes apply regardless of age and only apply to earned income.

Social Security Taxes and Reductions

Reduction in Benefits if Taking Social Security Early and Working

Age	Amount of Reduction	Maximum 2020 Earned Income Before Benefit Reduction
62 through year of attaining FRA	Lose \$1 in Social Security benefits for every \$2 earned above limit	\$18,240 (\$1,520/month ¹)
Year of attaining FRA	Lose \$1 in Social Security benefits for every \$3 earned above limit	\$48,600 (\$4,050/month ¹)

Taxation of Social Security Benefits

	Up to 50% of Benefits Taxable	Up to 85% of Benefits Taxable
Single	\$25,000 - \$34,000	\$34,001 or more
Married, filing jointly	\$32,000 - \$44,000	\$44,001 or more

These thresholds were set in 1984 and were not indexed for inflation.

Calculating the Taxable Portion of Social Security Benefits



What is excluded from income when calculating taxation of Social Security benefits?

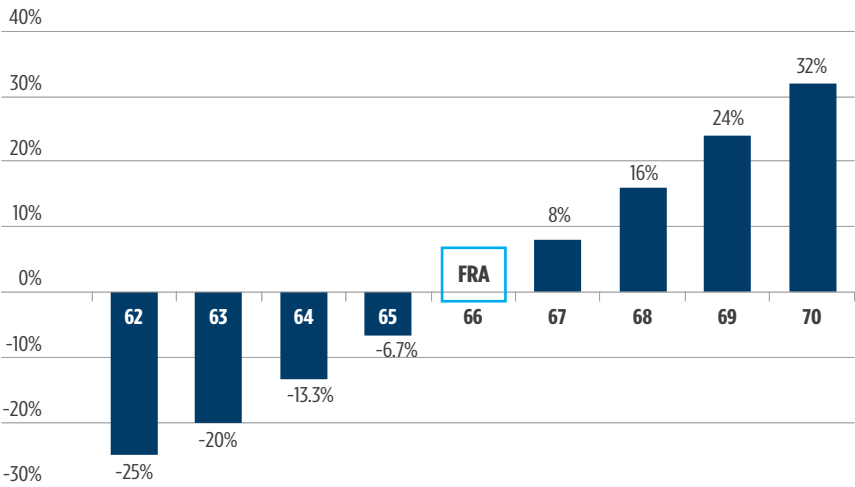
- » Roth IRA Distributions
- » Non-Taxable Pensions and Annuities
- » Child Support
- » Inheritance/Gifts
- » Life Insurance Proceeds
- » Qualified Medical Distributions from Health Savings Accounts (HSAs)

¹For people who retired during the year and earned more than the yearly earnings limit before they first claimed Social Security. (See “Retirement Planner: Special Earnings Limit Rule” on the Social Security website for more information.)

²You may have to add in other exclusions. Please contact a qualified tax professional for further details.

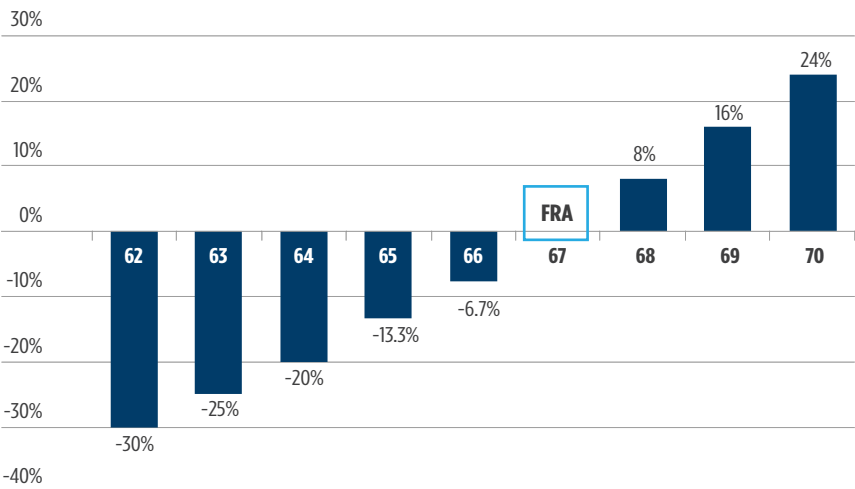
Claiming Social Security Before or After Full Retirement Age

Benefit Reductions and Increases for FRA 66



Assumes a client was born between 1943 and 1954. For Social Security recipients born between 1955 and 1959, add two months to age 66 for every year after 1954.

Benefit Reductions and Increases for FRA 67



Assumes a client was born 1960 or later.

Options if Claiming Before or After Full Retirement Age

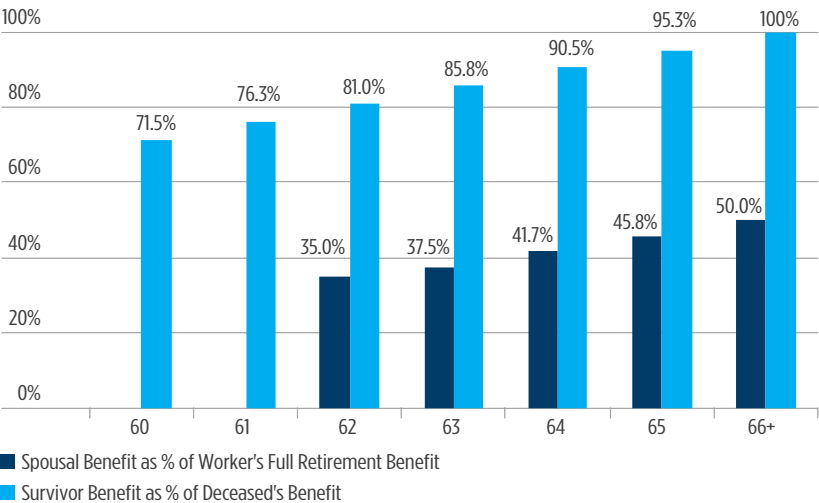
Summary of Retirement, Spousal and Survivor Benefits

	Claim Before FRA	Claim At or After FRA
Social Security Retirement Benefits	Benefits are permanently reduced	Benefits are increased
Working and Collecting Social Security¹	Benefits reduced by \$1 for every \$2 of earned income over \$18,240	Can earn as much as you want and collect Social Security
Spousal Benefits	Spousal benefits are reduced	Maximum spousal benefit at FRA
Survivor Benefits	Reduced widow benefit if: <ul style="list-style-type: none"> Widow claims widow benefit before FRA AND/OR <ul style="list-style-type: none"> Deceased claimed retirement benefits before FRA 	Maximum widow benefit if: <ul style="list-style-type: none"> Widow claims widow benefit at or after FRA AND <ul style="list-style-type: none"> Deceased claimed benefits at or after FRA (or passed away before claiming)
Divorcée Benefits	Never worked: reduced spousal benefit Worked: Greater of reduced ex-spousal or reduced personal	Never worked: maximum spousal benefit Worked: Greater of ex-spousal or personal

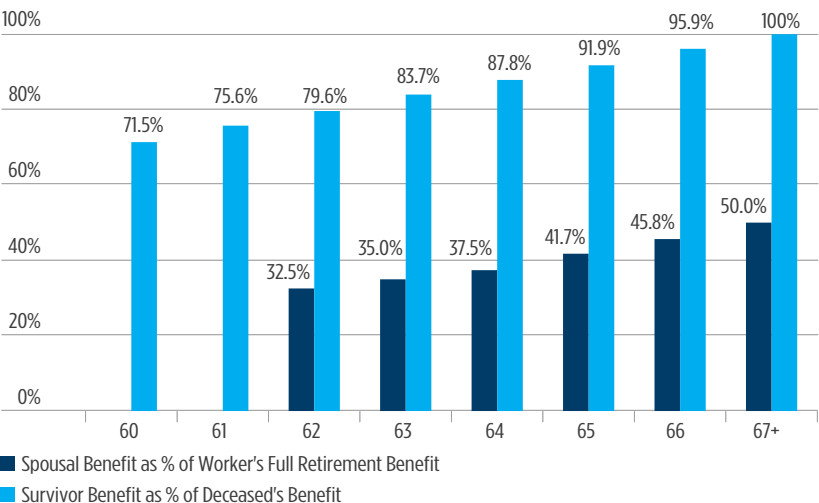
¹If attaining full retirement age in 2020, reduction is \$1 for every \$3 of earned income over \$48,600 (\$4,050 per month).

Spousal and Survivor Benefits by Benefit Age

Spousal and Survivor Benefits: FRA for Benefits is Age 66



Spousal and Survivor Benefits: FRA for Benefits is Age 67



Percentage based on age of spouse or survivor when claiming the benefit. Age 66 is benefit age for spouses born between 1943 and 1954 and widows born between 1945 and 1956. Age 67 is benefit age for spouses born in 1960 or later and widows born in 1962 or later. Please contact the Social Security Administration for specific information on benefits available to you based on your age. The widow benefit is based on the deceased's age and claiming status at death. See page 9 for more information.

Benefits for Married Couples

Spousal Benefits

Payment Period	Maximum Benefit	Partial Benefit
Received while primary worker is still alive, applied for Social Security and is collecting benefits	Spouse of primary worker must be FRA when first claiming Maximum benefit is 50% of worker's benefit at FRA Spousal benefits do not increase after FRA	Spouse of primary worker must be at least 62 to receive a partial benefit Receives 32.5%-49.9% of worker's full benefit at FRA Reduction in benefits is permanent

Options if Both Spouses Worked

	Claim Before FRA	Claim At or After FRA
Can payments be suspended?	No. Voluntary suspension only available at FRA or later.	Yes. Payments can be suspended.
What if you file before your spouse applies for Social Security?	Start off with reduced personal benefit; when your spouse applies, you may step up to reduced spousal benefit (if higher). ¹	Start off with personal benefit. Once your spouse applies, you will receive an additional amount on your spouse's record so that the combination of benefits equals that higher amount.
What if you file after your spouse applied for Social Security?	Automatically receive a combination of reduced personal and reduced spousal benefits, based on the number of months up to your FRA.	Two choices: 1. Take personal benefit 2. Start off with full spousal benefit with restricted application and switch to personal benefit plus credit at later date ²

File and Suspend vs. Restricted Application

Strategy	Description
Restricted Application	If you were born before January 2, 1954 and have already reached FRA, you can choose to restrict application to only the spousal benefit and delay receiving your retirement benefit until a later date. If you were born on January 2, 1954 or later, the option to take only one benefit at FRA no longer exists. If you file for one benefit, you will automatically be filing for all retirement or spousal benefits.
File & Suspend	Effective April 30, 2016, if the primary worker files at FRA and voluntarily suspends personal benefit in order to earn delayed credits, during the suspension, anyone receiving benefits on a worker's record (excluding divorced spouses) will be suspended. Any benefits a worker receives on someone else's record will also be suspended. ³

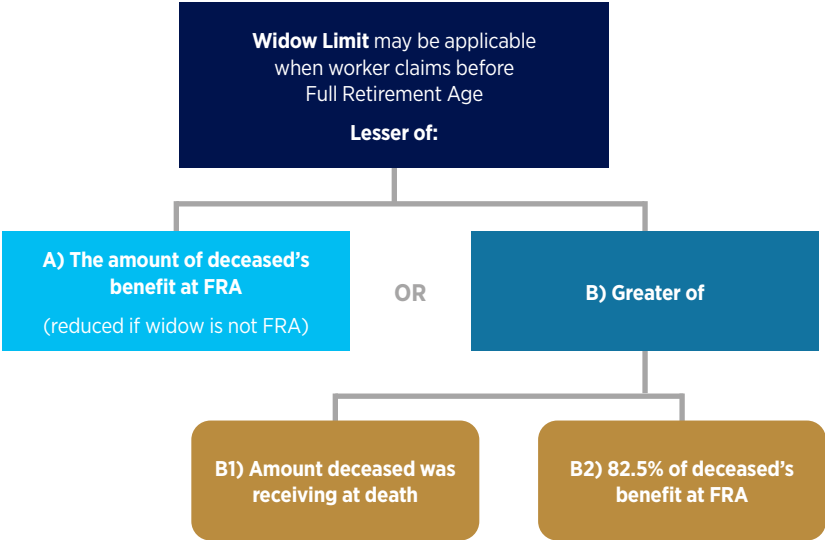
¹Unless filing a restricted application, your benefit is always paid first, and then topped off if your spousal benefit would provide for a greater amount.

²Only applicable to individuals who were born on or before January 1, 1954.

³Individuals who have already suspended their benefits prior to April 30, 2016 will be grandfathered in.

Widow Benefits

Benefit Amount if Deceased Claimed Before FRA



Benefit Amount if Deceased Claimed At or After FRA

	Maximum Benefit	Partial Benefit
Widow Age	FRA	60 to FRA
Amount	100% of deceased's benefit (including any additional amount for delayed credits)	71-99% of deceased's benefit (including any additional amount for delayed credits)

Benefit Amount if Deceased Did Not Claim Social Security

Situation	Benefit Percentage ¹
Deceased Passed Away BEFORE FRA	Widow percentage is based on the deceased's FRA benefit.
Deceased Passed Away AT or AFTER FRA	Widow percentage is based on deceased's FRA benefit plus any step-ups deceased was entitled to on date of death.

¹Please refer to page 6 for widow percentage based on survivor age when claiming survivor benefit.

Widow Classifications

Eligibility

	Aged Widow	Child-in-Care Widow	Disabled Widow
Basic	Age 60 or older Worker died either currently or fully insured	Has a child in care who is < age 16 or certain disabled Worker died either currently or fully insured	Ages 50-59 and disabled Worker died either currently or fully insured
Marital Status: Unmarried	Unmarried or remarried after age 60	Unmarried	Unmarried or remarried after age 50 and after onset of disability
Marital Status: Divorced	Marriage must equal or exceed ten years	No requirements	Marriage must equal or exceed ten years
Maximum Benefit Rate¹	100% of deceased's PIA ²	75% of deceased's PIA	71.5% of deceased's PIA

Switch Up Strategies for Aged Widows

Option 1 Reduced Widow to Full Personal Benefit	Option 2 Reduced Personal to Full Widow Benefit
Age 60: Start off with reduced widow benefit	Age 62: Start off with reduced personal benefit
Age 62 or older: Switch to personal benefit	At FRA: Switch to full widow benefit

¹If deceased spouse claimed before FRA then benefit may be smaller.

²PIA refers to the Primary Insurance Amount. Please refer to page 13 for more information.

These classifications may not cover all widow situations. Please contact the Social Security Administration in person for specifics on your situation.

Divorcée Benefits

Divorce Eligibility Requirements

Length of Marriage	At least ten years
Years Since Divorce	At least two years to receive the spousal benefit if ex-spouse has not applied for Social Security (if less than two years, refer to married couple rules)
Options if You Remarry	Generally forfeit the benefit of the ex-spouse (see table below)
Options if Ex-Spouse Remarries	Remain entitled to a benefit off of ex-spouse; ex-spouse generally forfeits a benefit off of you

Options if You Remarry

	Remarry Before 60 (50 if Disabled)	Remarry After 60 (50 if Disabled)
Spousal Benefit on Ex-Spouse	Typically forfeited	Typically forfeited
Survivor Benefit on Ex-Spouse	Typically forfeited	Keep

- If the second marriage ends, may again become entitled to benefits based on first marriage
- Cannot claim benefits on two ex-spouses at the same time

Spousal Claiming Options: Divorced Versus Married Couples

	Divorced Couples	Married Couples
Maximum Number of Spousal Benefits	Both ex-spouses could receive an ex-spousal benefit off of each other simultaneously (may need to be age FRA). ¹	Only one spouse at a time can collect a spousal benefit.
Requirements to Receive Spousal Benefits	Your ex-spouse does not need to apply for personal benefit in order for you to collect an ex-spousal benefit. ²	Primary worker must have applied for and be collecting personal benefit in order for spouse to receive spousal benefits.
Both Worked	You will receive your personal benefit first. If the benefit on your ex-spouse's record is higher, you will receive an additional amount on your ex-spouse's record so that the combination of benefits equals that higher amount.	You will receive your personal benefit first. If the benefit on your spouse's record is higher, you will receive an additional amount on your spouse's record, so that the combination of benefits equals that higher amount.

¹Both ex-spouses must be age 62 and divorced for at least two years in order for both to be eligible for a spousal benefit.

²If you were born before January 2, 1954 and have reached FRA, you can choose to receive only your spouse's/ex-spouse's benefit and delay receiving your retirement benefit until a later date. If you were born on or after January 2, 1954, the option to take only one benefit at FRA no longer exists. If you file for one benefit, you will be filing for all retirement or spousal benefits.

Social Security and Government Pensions

Government Workers and Social Security Benefit Reduction

	Who it Affects	What it Affects	Calculation
Windfall Elimination Provision (WEP)	Americans who split their time between the private sector and an employer who did not withhold Social Security tax (e.g. government agency or employer in another country)	Worker's benefit	First bend point of Social Security benefits may be reduced from 90% to as little as 40%; all other bend points remain unaffected. ¹ Reduction can not be more than half of your pension that you did not pay Social Security taxes on.
Government Pension Offset (GPO)	Americans who worked for a federal, state or local government that did not pay Social Security taxes	Social Security spousal and widow benefits	Social Security spousal/ widow benefit is reduced by two-thirds of the value of government pension.

Windfall Elimination Provision Retention Rates

Years of Substantial Earnings ² in a Job that Paid into Social Security	Percentage of the First Social Security Bend Point Retained
30 or more	90% (no reduction)
29	85%
28	80%
27	75%
26	70%
25	65%
24	60%
23	55%
22	50%
21	45%
20 or less	40%

¹Please see page 13 for more information on bend points.

²Substantial earnings are defined as earning \$25,575 in 2020. For a full review of substantial earnings on a year-by-year basis going back to 1937, please refer to Social Security publication “Windfall Elimination Provision” (SSA Publication No. 05-10045).

Federal Government Pension Plans and Social Security

	Civil Service Retirement Services (CSRS)	CSRS Offset	Federal Employees Retirement System (FERS)
Hire Date	Hired before Jan. 1, 1984	Certain workers hired after Jan. 1, 1984	Hired after Jan. 1, 1984
Could be affected by WEP?	Yes	Yes	N/A
Could be affected by GPO?	Yes	Exempt from GPO after working five years under CSRS	No
Coordination with Social Security	N/A	When CSRS Offset employees retire, they receive full CSRS benefits until they are eligible for Social Security benefits, generally at age 62. At that time, the CSRS benefit is offset by the portion of their Social Security benefit that represents the period of time they were covered by both CSRS and Social Security.	FERS retirees under age 62 who retire with an unreduced pension are eligible for temporary supplement to FERS pension until eligible for Social Security at age 62. Supplement is estimated to equal the Social Security benefits and ends at age 62 (regardless of whether the individual applies for Social Security).

Federal Government Pension Plans and Social Security

Retirement Program	Could be affected by WEP?	Could be affected by GPO?	Coordination with Social Security
Military	No	No	N/A
Railroad Retirement	Yes	Yes	<p>Regular railroad retirement annuities are calculated under a two-tier formula.</p> <ul style="list-style-type: none">• Tier 1 is based on railroad retirement credits and any Social Security credits an employee has acquired. Railroad pension can be reduced by:<ul style="list-style-type: none">– Any actual Social Security benefit paid on the basis of the employee's non-railroad employment– Spousal benefits from Social Security• Tier 2 is based on railroad retirement credits.

Primary Insurance Amount (PIA) and Bend Points

The PIA is the benefit a person would receive if electing to begin Social Security benefits at FRA, also known as Normal Retirement Age.

The PIA is the sum of three separate percentages of portions of the average indexed monthly earnings. These limits are also known as “bend points.”

In 2020, these bend points are:

- (a) 90% of the first \$960 of average indexed monthly earnings, plus
- (b) 32% of average indexed monthly earnings over \$960 through \$5,785, plus
- (c) 15% of average indexed monthly earnings over \$5,785

Social Security Disability

Recent Work Test

If you become disabled...	Then you generally need to...
In or before the quarter you turn age 24	Work 1.5 years during the three-year period ending with the quarter your disability began.
In the quarter after you turn age 24 but before the quarter you turn age 31	Work during half the time for the period beginning with the quarter after you turned 21 and ending with the quarter you became disabled. Example: If you become disabled in the quarter you turned age 27, then you would need three years of work out of the six-year period ending with the quarter you became disabled.
In the quarter you turn age 31 or later	Work during five years out of the 10-year period ending with the quarter your disability began.

Disability Benefits

Examples of Work Needed for the “Duration of Work” Test	
If you become disabled...	Then you generally need ...
Before Age 28	1.5 year of work
Age 30	2 years
Age 34	3 years
Age 38	4 years
Age 42	5 years
Age 44	5.5 years
Age 46	6 years
Age 48	6.5 years
Age 50	7 years
Age 52	7.5 years
Age 54	8 years
Age 56	8.5 years
Age 58	9 years
Age 60	9.5 years

Regardless of the age, an individual must have earned the required number of work credits. If an individual qualifies now but stops working under Social Security, he/she may not continue to meet the disability work requirement.

Children's Benefits

Requirements to Receive a Child's Benefit

Parent Requirements	Children Requirements
Parent who is disabled or retired and eligible for Social Security benefits	Children must be: <ul style="list-style-type: none">• Biological child, adopted child, stepchild or dependent grandchild• Unmarried• Younger than age 18
OR	OR
Deceased parent with required work credits	<ul style="list-style-type: none">• 18-19 years old and a full-time student (no higher than grade 12)
	OR
	<ul style="list-style-type: none">• 18 or older and disabled (disability must have started before age 22)

Benefit Amount Received

Situation	Children's Benefit
Parent is alive and collecting retirement or disability benefit	Up to 50% of the retirement or disability benefit amount
Parent is deceased	Up to 75% of the deceased parent's basic Social Security benefit
Family limit	Varies, but is generally equal to 150% to 180% of the retirement or disability benefit

Reduction if Working and Receiving Family Benefits

Who Works and Receives Benefits	Effect on Individual Benefit
Child works and receives benefits	<ul style="list-style-type: none">• Earnings limits apply to child's earned income only• Only affects the child's benefit• Does not affect benefits of worker or any other beneficiary
Surviving spouse works and receives benefits	<ul style="list-style-type: none">• Surviving spouse's benefits may be reduced if earnings exceed limits
Primary worker under age 66 works and receives benefits	<ul style="list-style-type: none">• Reduces not only the worker's benefit, but also all family benefits that are calculated off of the worker's benefit

Medicare

Medicare Taxes on Earnings

Earnings Threshold	Employee	Self-Employed
• Single < \$200,000	1.45% on earnings less than the threshold amount	2.90% on earnings less than the threshold amount
• Married, filing jointly < \$250,000		
• Married, filing separately < \$125,000		
• Single > \$200,000	2.35% on earnings over the threshold amount	3.8% on earnings over the threshold amount
• Married, filing jointly > \$250,000		
• Married, filing separately > \$125,000		

Medicare Taxes on Investments

Category	Tax Information
AGI Threshold	Single >\$200,000 Married, filing jointly >\$250,000 Married, filing separately >\$125,000
Medicare Tax	3.8%
Calculation	If AGI crosses the thresholds, tax is on lesser of: - Net investment income for the year - Modified AGI in excess of the thresholds

Medicare and Other Provisions

Combination	Guidelines
Medicare and HSAs	Cannot contribute to HSAs once you have Medicare
Medicare and Social Security	If you are collecting Social Security, you cannot decline Medicare Part A once you are age 65
Medicare and Hold Harmless Provision	- If AGI is below \$174,000 and you are married, filing jointly (\$87,000 if single), Medicare Part B premium increases will not reduce Social Security benefits - Only Part B premiums can be capped if income is below \$174,000 if married, filing jointly (\$87,000 if single); Part D premiums may increase regardless of income

Please consult a qualified tax advisor for more details.

Medicare Premiums

Medicare Part A

Quarters of Medicare-Covered Employment	Monthly Part A Premium
40 or more	None
Less than 40	Up to \$458.00

Part B + D Premium

Individual Tax Return with 2018 Income	Joint Tax Return with 2018 Income	2020 Part B Monthly Premium ¹	2020 Part D Monthly Premium
\$87,000 or less	\$174,000 or less	\$144.60	Plan Premium
\$87,001-\$109,000	\$174,001-\$218,000	\$202.40	\$12.20 + Plan Premium
\$109,001-\$136,000	\$218,001-\$272,000	\$289.20	\$31.50 + Plan Premium
\$136,001-\$163,000	\$272,001-\$326,000	\$376.00	\$50.70 + Plan Premium
\$163,001-\$500,000	\$326,001-\$750,000	\$462.70	\$70.00 + Plan Premium
\$500,001 and above	\$750,001 and above	\$491.60	\$76.40 + Plan Premium

Married, Filing Separately, but Living Together	2020 Part B Monthly Premium ²	2020 Part D Monthly Premium
\$87,000 or less	\$144.60	Plan Premium
Above \$87,000 and less than \$413,000	\$462.70	\$70.00 + Plan Premium
\$413,000 and above	\$491.60	\$76.40 + Plan Premium

¹For more information, please refer to Social Security publication “Medicare Premiums: Rules for Higher-Income Beneficiaries” (SSA Publication No. 05-10536).

²Premiums are based on modified adjusted gross income, as reported on IRS tax return two years ago.

Miscellaneous Information

Sources of Income and Social Security Earnings Test¹

Nonqualified Deferred Compensation Plan	Count as earnings in last month of employment (or in period actually earned when benefits affected)
Stock Bonus Plan	Count the fair market value of the stock if not tax exempt
Stock Option Plan	Count as wages the difference between the fair market value of stock at the time the option is exercised and the option price Count these in the period the option was granted
HSA Contributions	<ul style="list-style-type: none">- Employee contributions to HSAs counted as wages for earnings test purposes- Employer contributions to HSAs not counted as wages for earnings test purposes
Unemployment Compensation	Not counted as earned income
Worker Compensation	Not counted as earned income (but may reduce disability benefits)

Marriage Requirements

Type of Benefit	Length of Marriage	Amount
Spousal Benefits	Married to worker for one continuous year before he or she filed for spousal benefits or is the parent of their child	35%-50% of worker's FRA benefit (32.5%-50% if FRA is 67)
Retired Widow Benefits	Generally, must have been married to the deceased spouse for at least nine months and not remarried before the age of 60 (50 if disabled); at time of marriage, the insured worker could reasonably be expected to live for nine months	71.5%-100% of deceased's FRA benefit or benefit at death; refer to page 5 for more information
Divorcée Benefits (Spousal and Retired Widow)	Must have been married for at least ten years	See spousal and retired widow
Child-in-Care Widow	No length of marriage requirement; must be caring for worker's biological, adopted or dependent stepchild	75% of deceased's benefits subject to family maximum

¹If working, any benefit will be reduced by \$1 for every \$2 of earned income over \$18,240 (\$48,600 if attaining full retirement age in 2020). This is just a small sampling of what is and is not counted as wages. Please contact a qualified tax advisor for more information.

Important Ages

Full Retirement Age for Retired Workers

Year of Birth	FRA	Age 62 Benefit
1943-1954	66	75.0%
1955	66 and 2 months	74.2%
1956	66 and 4 months	73.3%
1957	66 and 6 months	72.5%
1958	66 and 8 months	71.7%
1959	66 and 10 months	70.8%
1960 and later	67	70.0%

Retirement Milestones

Age	Milestone
50	Catch-up contributions for IRAs, 401(k), 403(b)
55	<ul style="list-style-type: none">• Penalty-free distribution from 401(k) following separation from service• Separation of service must occur during or after the calendar year in which the participant reached age 55
59½	Penalty-free distributions from Traditional IRAs and Qualified Retirement Plans - 401(k), 403(b)
60	Surviving spouse eligible to collect partial Social Security benefits of deceased spouse
62	<ul style="list-style-type: none">• Primary worker eligible to receive reduced Social Security benefits• Spouse eligible to receive reduced spousal benefits
65	<ul style="list-style-type: none">• Enroll in Medicare• Penalty-free distribution from HSAs for non-medical withdrawals (still subject to income taxes)¹
66	<ul style="list-style-type: none">• Full Retirement Age for individuals born 1943-1954• For Social Security recipients born between 1955 and 1959, add two months to age 66 for every year after 1954 through 1959
67	Full Retirement Age for individuals born 1960 or later
70	Ending age for accruing delayed credits for Social Security
70½	Required Minimum Distributions from IRAs must begin for IRA owner's who were born before July 1, 1949
72	Required Minimum Distributions from IRAs must begin for IRA owners who were born after June 30, 1949

¹ Qualified medical expenses are exempt from income taxes.

Amundi Pioneer does not offer tax advice. The information serves as a guide and does not replace the advice of a qualified tax advisor. Please contact a qualified tax advisor for specifics on your individual circumstance.

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