



NAVIGATING SOCIAL SECURITY & MEDICARE





SOCIAL SECURITY

PAST, PRESENT, FUTURE



Established in **1935** during
the **Great Depression**



Then, **more than 150**
workers for every retiree

Now, **less than 3**
workers for every retiree



Amended in **1983** to prevent
a **funding shortage**

Increased payroll taxes
from **13.4% to 15.3%**

Delayed Full Retirement
Age (FRA) from **65 to 67**

FOUR TYPES

01 YOUR OWN RETIREMENT BENEFIT
Your benefit is based on your own earnings record

02 SPOUSAL BENEFIT
Your benefit is based on your spouse's earnings record

OF BENEFITS

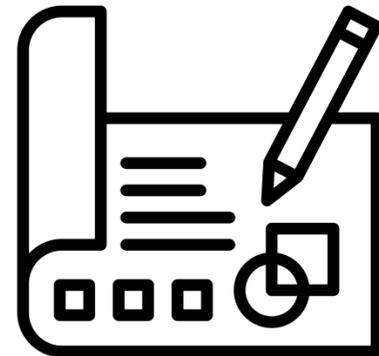
03 SURVIVOR BENEFIT
Your benefit is based on a deceased spouse's earnings record

04 DISABILITY BENEFIT
Accelerated benefit based on your own earnings record

HOW IS MY OWN BENEFIT CALCULATED?

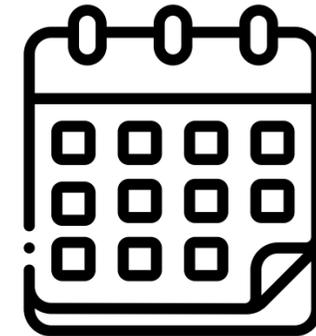


AVERAGES
YOUR 35
YEARS OF
HIGHEST
INDEXED
EARNINGS



APPLIES
A FORMULA TO
CALCULATE
PRIMARY
INSURANCE
AMOUNT (PIA)

PIA = YOUR MONTHLY BENEFIT
AMOUNT AT FULL RETIREMENT



REQUIRES
A MINIMUM OF
40 QUARTERS
(10 YEARS)
OF WORK
HISTORY

SOCIAL SECURITY

HOW TO LOCATE YOUR RECORD:

MYSSA.GOV



SSA My Social Security (My SSA) SSA Social Security

 Social Security

Create an Account or Sign In

i You only need one Login.gov or ID.me account.

If you already have a Login.gov or ID.me account, do not create a new one. You can use your existing account to access Social Security services.

[Create an account with Login.gov](#)

[Sign in with LOGIN.GOV](#)

[Sign in with ID.me](#)

[Sign in with Social Security Username](#)

For accounts created *before* September 18, 2021

[Sign in Help and Support](#)

[External Site Disclaimer](#)

[Privacy and Security](#)

OMB No. 0960-0789 [Privacy Policy](#) [Privacy Act Statement](#) [Accessibility Help](#)

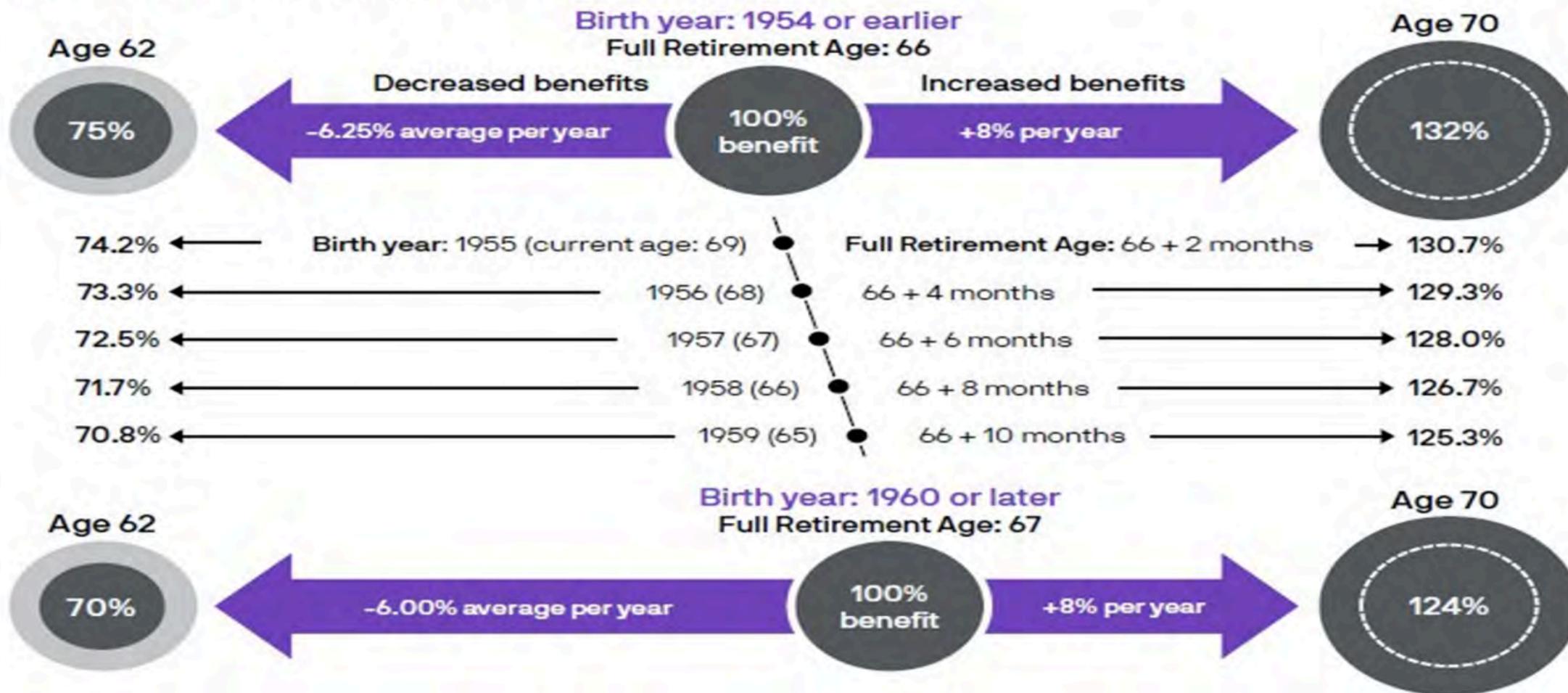
WHEN SHOULD YOU START YOUR BENEFIT?



Retirement Landscape

Social Security timing trade-offs

Benefits differ by birth year and claim age
Full Retirement Age (FRA) = 100% benefit



Cost of living increase for benefits received in 2023

8.7%

Average cost of living adjustment (1985-2023)

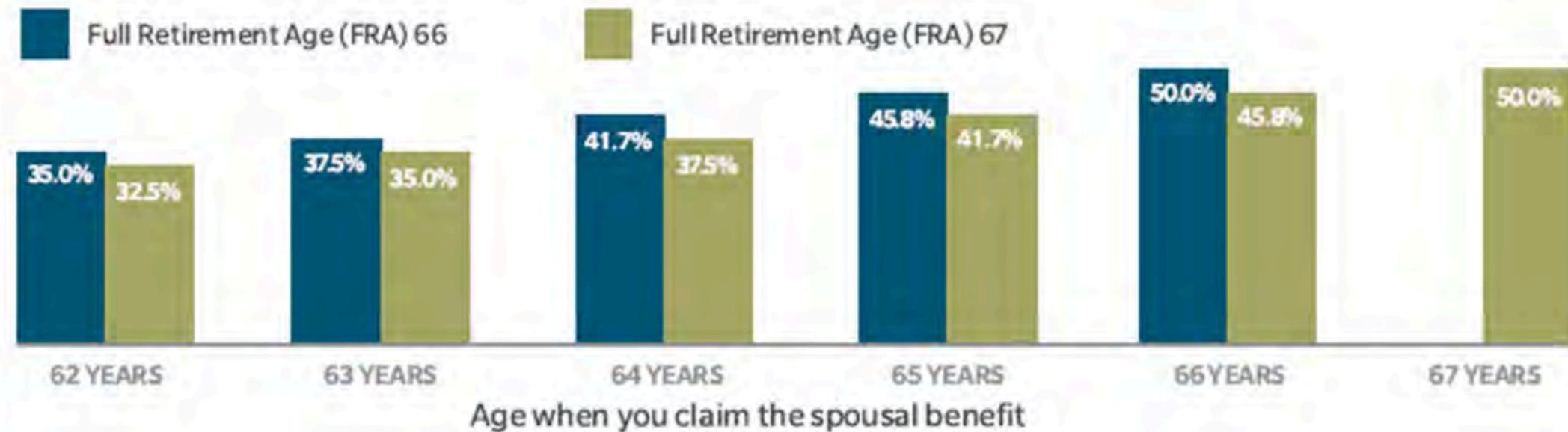
2.8%

SPOUSAL BENEFITS

SPOUSE AND SURVIVOR PERCENTAGES AND KEY FACTS

Spousal percentages

FRA for **spousal benefits** is age 66 for anyone born from 1943 to 1954. It increases by two months for every year from 1955 to 1959. FRA is age 67 for anyone born 1960 or later.



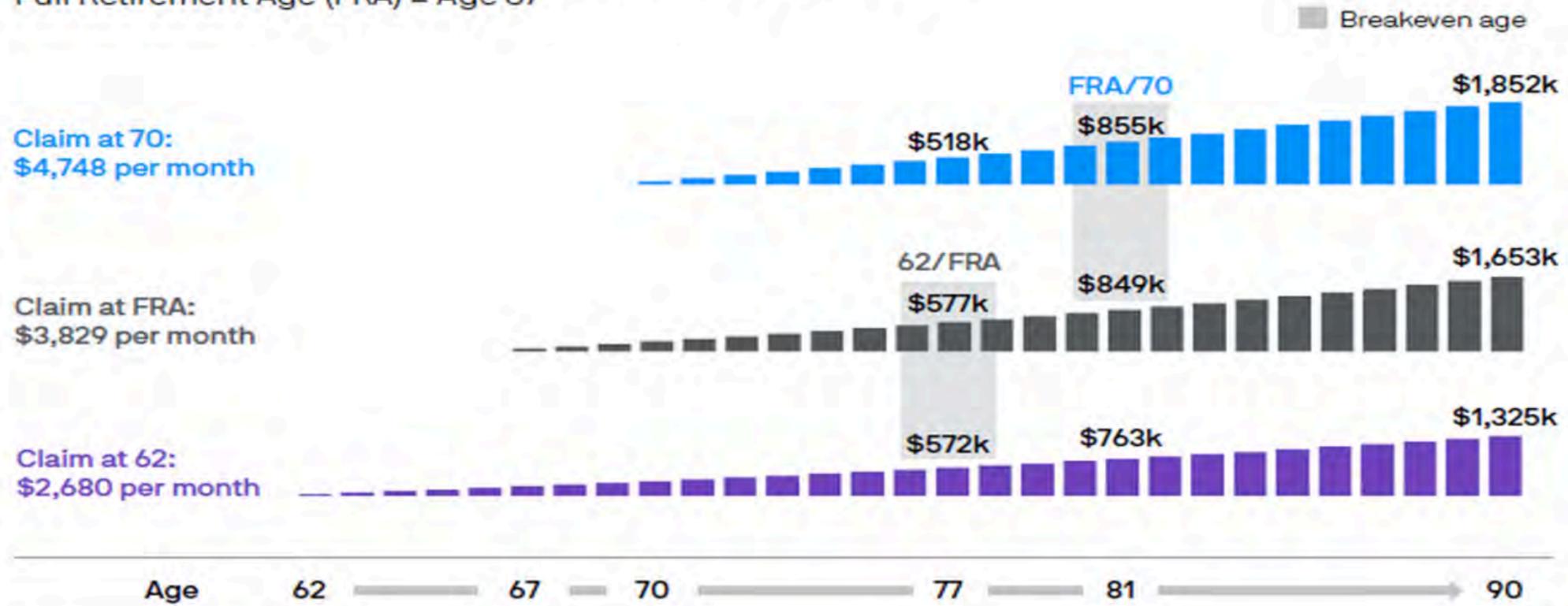
FINDING YOUR BREAK-EVEN AGE



Retirement Landscape

Maximizing Social Security benefits: maximum earner

Cumulative individual maximum benefit by claim age
Full Retirement Age (FRA) = Age 67



Age	62	67	70	77	81	90
At age 62, probability of living to at least age:	100%	91%	85%	67%	53%	18%
Male (♂)	100%	95%	91%	77%	66%	29%
Female (♀)	100%	99%	99%	92%	84%	42%

Source: Social Security Administration, Current Population Survey, J.P. Morgan Asset Management.

HOW IS MY SPOUSAL BENEFIT CALCULATED?

YOU ARE ENTITLED TO RECEIVE THE HIGHER OF

**Your own
Retirement Benefit
based on your
work history**

**50% of
your Spouse's
FRA Retirement
Benefit**





DEEMED FILING

CONSIDERATIONS FOR SPOUSES & SURVIVORS

Deemed filing means that if you are eligible for both *your own* Social Security retirement benefits and *spousal benefits*, applying for one generally means you are also applying for the other

Important:

You can only receive a Spousal Benefit if your spouse is currently receiving their own benefit

If born on or before January 1, 1954 (age 65 or older today), you can still file a Restricted Benefit

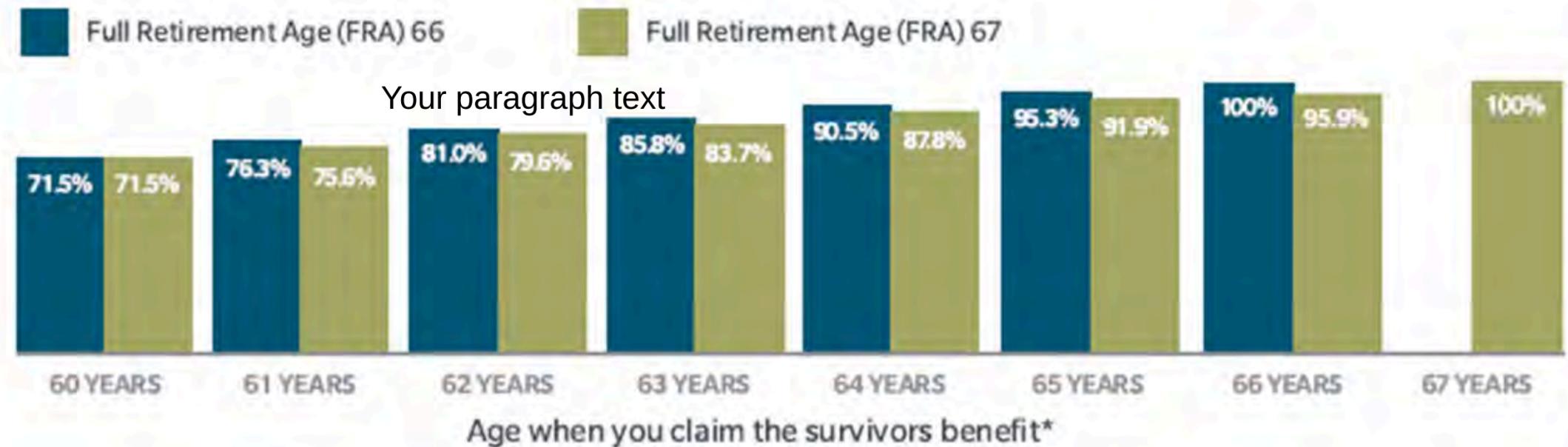
Deemed filing does not apply to survivor's benefits as they are not "deemed" to have filed for all eligible benefits

SURVIVOR BENEFITS

SPOUSE AND SURVIVOR PERCENTAGES AND KEY FACTS

Survivors percentages

FRA for **survivors benefits** is age 66 for anyone born 1945 to 1956. It increases by two months for every year from 1957 to 1961. FRA is age 67 for anyone born 1962 or later.



Source: Social Security Administration (www.ssa.gov) & MFS

SURVIVOR BENEFITS



Upon the death of a spouse, the surviving spouse receives the **greater of their own Social Security benefit or the deceased spouse's benefit**

When the **surviving spouse reaches FRA**, they are typically eligible to receive 100% of the deceased spouse's benefit

If between **ages 60 and their full retirement age**, they can receive a reduced percentage of the deceased spouse's benefit



The higher earner's Social Security filing strategy has a lasting impact, as it directly affects **both spouses' benefits** throughout their combined lifespans

MARRIAGE ASPECTS

SPOUSE AND SURVIVOR COMPARISONS

Length-of-marriage requirements

SPOUSAL BENEFIT

- One continuous year just before filing for benefits

SURVIVORS BENEFIT

- At least the nine months before the worker dies

DIVORCED BENEFIT

- 10 continuous years

CHILD-IN-CARE BENEFIT

- No length-of-marriage requirements

Key facts comparison (for married couples and divorcees)

MAXIMUM PERCENT

- Spousal: 50% of your spouse's Full Retirement Age (FRA) benefit
- Survivors: 100% of the deceased's benefit*

AMOUNT BASED ON

- Spousal: Your spouse's FRA benefit
- Survivors: Your spouse's benefit at death (if they died before claiming; based on the greater of their FRA benefit or what they would have been entitled to at death)

IF YOU CLAIM YOUR RETIREMENT BENEFIT BEFORE FRA**

- Spousal: reduces your spousal and retirement benefit***
- Survivors: no impact; percent is based on your age when you claim the survivors benefit

IF YOUR SPOUSE CLAIMS THEIR BENEFIT BEFORE FRA

- Spousal: no impact because the spousal benefit is based on your spouse's FRA benefit
- Survivors: reduces survivors benefit because survivors benefit is based on when the deceased claimed

*See page 8 if deceased claimed before FRA.

Source: Social Security Administration.

** Earnings test applies to any benefit received before FRA.

*** Spousal is the benefit you receive off your spouse while your spouse is alive. Receiving a benefit off your spouse will not reduce your spouse's benefit.

DIVORCED SPOUSES

SPOUSAL BENEFITS

Married to ex-spouse for 10+ years

Currently unmarried

Both the individual and ex-spouse
are at least age 62

Divorced for at least 2 years
(unless eligible at time of divorce)

Ex-spouse not required to be
receiving benefits

SURVIVOR BENEFITS

Married to ex-spouse for 10+ years

Currently unmarried or
married after age 60

Individual is at least age 60

If caring for ex-spouse's child who
is under age 16 or disabled
(Age and marriage length not
required in these circumstances)

SURVIVOR BENEFITS

THE WIVES OF JOHNNY CARSON

Former late-night TV talk show host Johnny Carson was married 4 times

His first marriage lasted about 15 years; the second, 9 years; and the third, 13 years. The fourth marriage was intact when he died in 2005 and lasted 18 years

When Johnny died, it is likely that the first, third, and fourth wives received the same survivor benefit amount. His second wife *missed qualifying by 1 year*

Additionally, if he had any children under age 18 at death, they also would have received 75% of his benefit



MILITARY & RAILROAD BENEFITS

MILITARY AND RAILROAD RETIREMENT PLANS

Military and railroad retirement plans

MILITARY

RETIREMENT

Military pension does not affect Social Security benefits. Social Security benefits based on your earnings.

CREDIT FOR MILITARY SERVICE

Since 1957, active duty (including active duty for training) covered under Social Security.

Since 1988, inactive duty covered under Social Security.

From 1957 through 2001, special earnings credits granted for periods of active duty or active duty for training. If active duty was after 1967, extra earnings already on your record.

Additional earnings are credited to the earnings that are averaged over your working lifetime, not directly to your monthly benefit amount.

SURVIVORS BENEFITS

Social Security Survivors benefits may affect benefits payable under optional Department of Defense Survivors Benefit Plan. Check with Department of Defense or military retirement advisor for more information.

RAILROAD RETIREMENT BENEFITS

RETIREMENT

Tier 1: Based on earnings an employee acquired under both railroad and Social Security-covered employment; uses Social Security formula but with railroad age and service requirements*

Tier 2: Based on railroad earnings; similar in concept to defined benefit plan

SPOUSAL

Tier 1: Spouse receives up to 50% of retiree's Tier 1 basic benefit.**

Tier 2: Spouse receives up to 45% of employee's Tier 2 basic benefit.

SURVIVOR

Tier 1: Survivor receives up to 100% of deceased's Tier 1 benefit.**

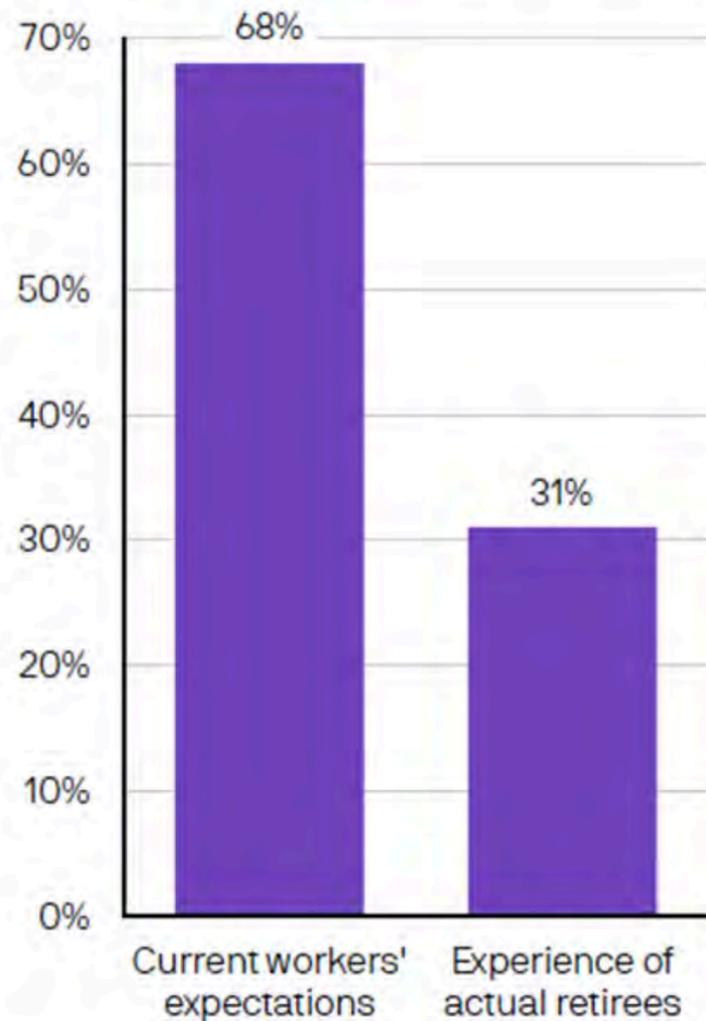
Tier 2: Survivor may receive percent of deceased's Tier 2 amount.

* Tier 1 benefits reduced by amount of any Social Security benefit paid on the basis of non-railroad employment. Tier 1 benefits also reduced for any Social Security benefit an employee receives that is based on earnings of their spouse.

** Tier 1 portion of spouse or survivor annuity is reduced for any Social Security benefit, even if Social Security benefit is based on spouse's or survivor's own earnings. Tier 1 portion of spouse or survivor annuity may also be reduced for receipt of federal, state or local government pension based on spouse's or survivor's earnings.

DISABILITY BENEFITS

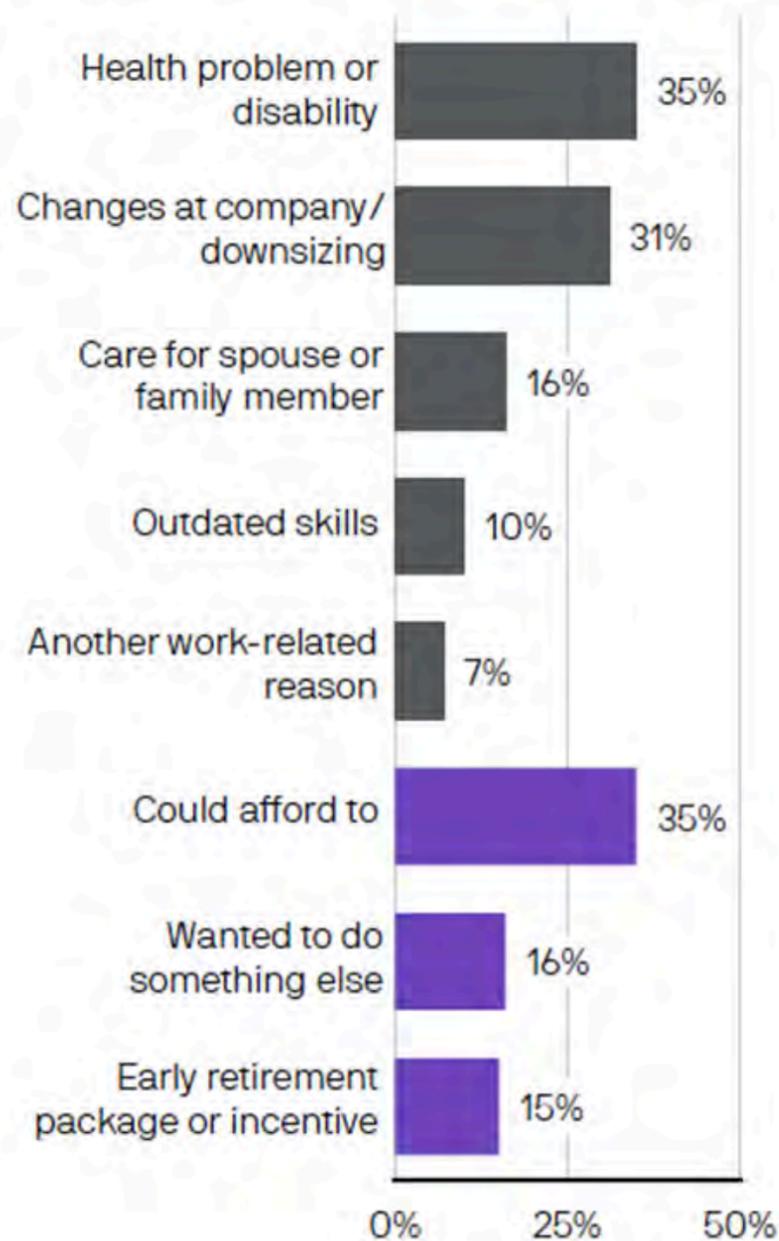
Expectations of workers vs. retirees
To retire at age 65 or older



Median retirement age:

Expected:	65
Actual:	62

Reasons for retiring earlier than planned



Source: Employee Benefit Research Institute, Greenwald Research: 2023 Retirement Confidence Survey. Individuals may have given more than one answer. Latest available data as of December 31, 2023.

Must be unable to perform any substantial work and disability expected to last at least 1 year or result in death

Disability is not need-based
SSI is separate, need-based benefit program

Benefit amount based on your current projected FRA benefit

Approval can take 3-5 months

Automatically enrolled in Medicare after receiving benefits for 2 years

COLLECTING EARLY AND CONTINUING TO WORK

2025 Retirement Earnings Limits

Your Age	2025 Limit	What Happens Above the Limit
Under FRA	\$23,400	\$1 of benefits withheld per \$2 of earnings above the limit
Year you reach FRA	\$62,160	\$1 of benefits withheld per \$3 of earnings above the limit for months prior to reaching FRA
Month you reach FRA and beyond	None	No impact due to no limit

Applies to any retirement benefits collected before FRA. Earnings limit looks at your wages or self-employment income only. Your monthly benefits will increase at FRA to offset any reduction.

TAXATION OF SOCIAL SECURITY BENEFITS

**Single
\$0**

0% of Benefits are Taxable

**Married
Filing Jointly
\$0**

\$25,000

0-50% of Benefits are Taxable

\$32,000

\$34,000

50-85% of Benefits are Taxable

\$44,000

**Provisional Income = $\frac{1}{2}$ Social Security Benefits +
Modified Adjusted Gross Income**

MEDICARE

Today, nearly 68.4 million Americans, or 20% of the nation's population, depend on Medicare for health insurance coverage.



Federal Health Insurance Program enacted by Congress in 1965



For people 65 years or older, or people younger than 65 with certain disabilities



Nearly 10,000 people turn 65 every day

MEDICARE

ORIGINS AND PURPOSE

MEDICARE WHO QUALIFIES?

01

**YOU ARE TURNING
65 OR OLDER**

02

**HAVE BEEN RECEIVING
SOCIAL SECURITY
DISABILITY FOR AT
LEAST 24 MONTHS**

03

**HAVE A SEVERE
DISABILITY**

04

**HAVE END STAGE
RENAL DISEASE
OR ALS**

MEDICARE CHOOSE YOUR PATH

Option 1: Original Medicare



You can add:



You can also add:



Option 2: Medicare Advantage (Part C)



(Most plans cover prescription drugs.
If yours doesn't, you may be able to join a
separate Part D plan.)

ORIGINAL MEDICARE

PART A

HOSPITAL COVERAGE

Inpatient hospital care

Skilled nursing facility care

(Short-term only)

Home health care

Hospice care

Premium: \$0 if paid 10+ years of FICA

\$285 or \$518/mo depending on years worked

Penalty of 10% for 2x the # of years you are late

Hospital: Deductible of \$1,676 + co-insurance

Skilled: Deductible \$0 days 0-20; \$209.50 days 21-100

PART B

MEDICAL COVERAGE

Services from doctors and
other healthcare providers

Outpatient care

Home health care

Durable medical equipment

Many preventable services

Base Premium: \$185/mo

Surcharges scale up with income

Lifetime late enrollment penalty

PART D PRESCRIPTION DRUG INSURANCE

DRUG COVERAGE

Prescription drug costs

Covered by private insurance carriers

Each carrier & plan has its own formulary, tiers, co-pays, preferred pharmacies, etc. that can change annually

It is essential to evaluate plan coverage vs. your expected needs annually



The Inflation Reduction Act of 2022 did away with the dreaded donut hole
Once the annual out-of-pocket maximum of \$2,000 per year is reached for prescription drugs, Part D picks up 100% of the cost

MEDIGAP SUPPLEMENT PLANS



Helps cover your deductibles, co-payments and co-insurance for Medicare Part A & Part B

Helps cover your deductibles, co-payments and co-insurance for Medicare Part A & Part B
Is sold by private insurance carriers
Coverage for each plan type is standardized by Medicare but premiums charged are not



Some policies offer coverage for services that Original Medicare does not cover, like medical care when you travel outside the U.S.

MEDIGAP COVERAGE GUIDE

Medigap Benefit	Plan A	Plan B	Plan C	Plan D	Plan F*	Plan G*	Plan K	Plan L	Plan M	Plan N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓****
Blood benefit (first 3 pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility care coinsurance	✗	✗	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	✗	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	✗	✗	✓	✗	✓	✗	✗	✗	✗	✗
Part B excess charge	✗	✗	✗	✗	✓	✓	✗	✗	✗	✗
Foreign travel emergency (up to plan limits)	✗	✗	80%	80%	80%	80%	✗	✗	80%	80%
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$7,220 in 2025	\$3,610 in 2025	N/A	N/A

Source: www.medicare.gov

MEDICARE ADVANTAGE PART C



Wide variety of plans sold by private insurance carriers

Most include Medicare Part D prescription drug coverage

Can be HMO or PPO and both typically have set networks & may require pre-approval for services
Some cover vision, hearing and dental, not offered by Original Medicare

Monthly premium required in addition to Medicare Part B premium

Medicare Advantage Plans set a yearly limit on out-of-pocket costs for medical services. Once the limit is reached, you will pay nothing for covered services

Maximum Limit in 2025 is \$9,350

Does not apply to prescription drugs

MEDICARE ENROLLMENT

Currently receiving Social Security benefits:

You will automatically enroll in Medicare parts A and B

You need to apply for Part D or Medicare Advantage during your Initial Enrollment Period (IEP)

If you are covered by a qualified employer health plan, you need to enroll in Part A

You have the option to delay Parts B & D if you have "credible insurance"

Credible Insurance - at least as good as the standard Medicare plan benefits

Turning 65, not receiving Social Security benefits, without qualified employer coverage:

You need to apply for Medicare Part A, Part B, Part D and Medicare Advantage during your IEP

Apply online at [SSA.gov/retirement](https://ssa.gov/retirement) or call 1-800-772-1213



Over 65 and losing qualified employer-based coverage:

You can apply for Medicare Part A, Part B, Part D and Medicare Advantage during your Special Enrollment Period (SEP)

Most employer-based health coverage requires you to enroll in Part A as primary/secondary insurance when you turn 65

You cannot contribute to a Health Savings Account (HSA) while enrolled in Part A

MEDICARE INITIAL ENROLLMENT PERIOD (IEP)

Your first and most important window for enrollment

Seven months total: Begins 3 months before your 65th birthday month and ends three months after your birthday month

Coverage begins
the month of your
65th birthday



3 months before
your 65th birthday



The month
of your 65th
birthday

Coverage begins the
month following your
enrollment month



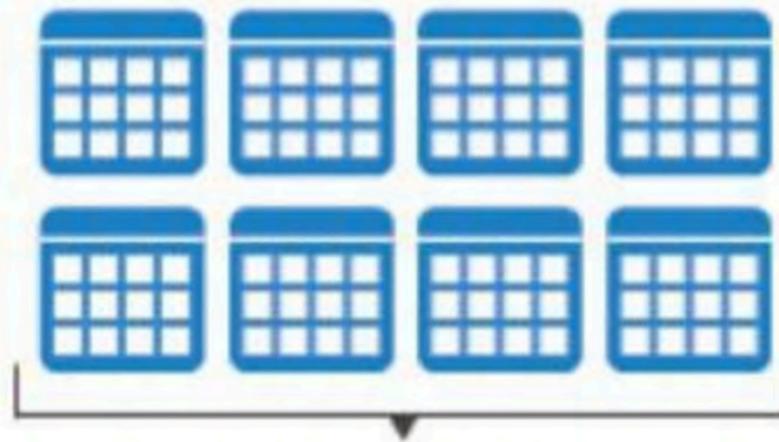
The 3 months after
your 65th birthday

Coverage begins the
following month

MEDICARE SPECIAL ENROLLMENT PERIOD (SEP)

Window of opportunity to enroll in certain parts of
Medicare outside of your IEP

If you have been covered under a qualified employer group health plan, you are granted a SEP to sign up for Medicare Parts A, B, D and Medicare Advantage Part C when your employer coverage ends



Parts A & B: Your SEP lasts
8 months after your
employer coverage ends



Parts D & C: Your
SEP lasts 2 months
after coverage ends

If you miss your
IEP & SEP, you will
have to wait for a
General Enrollment
Period and may pay
lifelong penalties



MEDIGAP OPEN ENROLLMENT PERIOD

During this period you can buy any Medigap policy sold in your state, even if you have health problems, without medical underwriting or health-adjusted premiums

Use caution when switching between Medicare Advantage & Original Medicare

After this one-time enrollment period, you may be unable to purchase a Medigap policy

If you are able to buy one, you may be subject to underwriting and higher premiums



The 6 month period begins on the first day of the month in which you are 65 or older and first enrolled in Medicare Part B

MEDICARE GENERAL ENROLLMENT PERIOD

If you did not enroll when you first became eligible under your IEP or SEP, you may enroll in Medicare Parts A, B, D and Medicare Advantage Part C during this annual period

Coverage is effective July 1st
Lifelong penalties may apply



Jan 1 - March 31
Part A & Part B

April 1 - June 30
Part D & Part C

Effective
July 1

MEDICARE OPEN ENROLLMENT PERIOD (OEP)

The annual Open Enrollment Period (OEP)
is also known as the Annual Election Period

This is your opportunity each year to change Medicare
Part D prescription plans and to enroll in or make
changes to Medicare Advantage

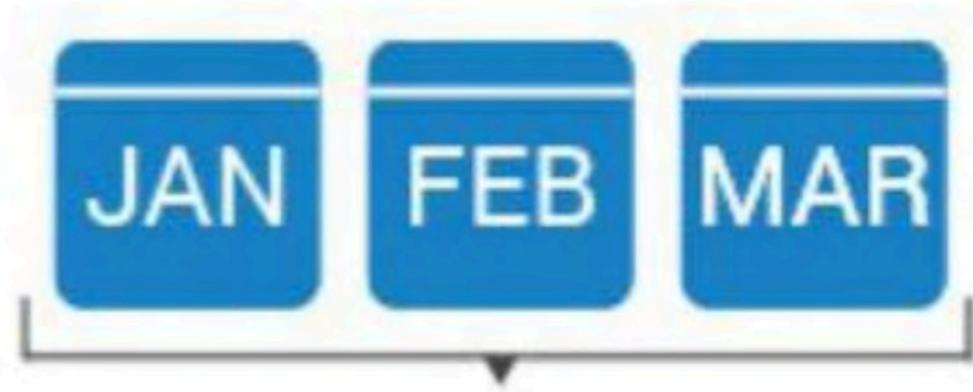
Compare your current medications and any changes to your
current Part D plan's formulary and co-pays for the coming year



MEDICARE ADVANTAGE OPEN ENROLLMENT PERIOD

Formerly known as the
Medicare Advantage Disenrollment Period (MA EOP)

During this period you can disenroll from a Medicare Advantage plan and switch to Original Medicare (You cannot do the reverse during this period)



**Jan 1 - March 31
Changes to Medicare
Advantage Part C**

You can also switch between Medicare Advantage plans if you are currently enrolled in a Medicare advantage plan

Changes are effective the first of the month after your request

You can only make one change during this time period

MEDICARE PREMIUM COSTS

IRMAA = INCOME RELATED MONTHLY ADJUSTMENT AMOUNT

If Your MAGI (Modified Adjusted Gross Income*) in 2023 was:			You Pay in 2025 (Per Person) Monthly Premiums to Medicare	
Individual Tax Return	Joint Tax Return	Married & Separate Tax Return	PART B <i>(PREMIUM + IRMAA)</i>	PART B IRMAA <i>(IN ADDITION TO PART D PLAN PREMIUM)</i>
\$106,000 or Less	\$212,000 or Less	\$97,000 or Less	\$185.00	-----
\$106,001 to \$133,000	\$212,001 to \$266,000	N/A	\$259.00 <i>(\$185.00 + \$74.00)</i>	+\$13.70
\$133,001 to \$167,000	\$266,001 to \$334,000	N/A	\$370.00 <i>(\$185.00 + \$185.00)</i>	+\$35.30
\$167,001 to \$200,000	\$334,001 to \$400,000	N/A	\$480.90 <i>(\$185.00 + \$259.50)</i>	+\$57.00
\$200,001 to \$500,000	\$400,001 to \$750,000	\$97,001 to \$402,999	\$591.90 <i>(\$185.00 + \$406.90)</i>	+\$78.60
\$500,001+	\$750,001+	\$403,000+	\$628.90 <i>(\$185.00 + \$443.90)</i>	+\$85.80

Source: www.medicare.gov

MEDICARE APPEALING PREMIUM SURCHARGES (IRMAA)

Income-related additional premiums are calculated annually from your MAGI 2 or 3 years prior

If you experienced a "Life-Changing Event" in those two years, you can file Form SSA-44 requesting a reduction

Life-Changing Event	Use this category if...
Marriage	You entered into a legal marriage.
Divorce/Annulment	Your legal marriage ended, and you will not file a joint return with your spouse for the year.
Death of Your Spouse	Your spouse died.
Work Stoppage or Reduction	You or your spouse stopped working or reduced the hours that you work.
Loss of Income-Producing Property	You or your spouse experienced a loss of income-producing property that was not at your direction (e.g., not due to the sale or transfer of the property). This includes loss of real property in a Presidentially or Gubernatorially-declared disaster area, destruction of livestock or crops due to natural disaster or disease, or loss of property due to arson, or loss of investment property due to fraud or theft.
Loss of Pension Income	You or your spouse experienced a scheduled cessation, termination, or reorganization of an employer's pension plan.
Employer Settlement Payment	You or your spouse receive a settlement from an employer or former employer because of the employer's bankruptcy or reorganization.



**Neither Original Medicare,
Medigap nor Medicare Advantage
covers Long-Term Care**

**Medicaid is the Government
program that covers Long-Term Care
for those with extremely limited
resources and income**

**You can buy a Long-Term care
insurance from private carriers
Visit [longtermcare.gov](https://www.longtermcare.gov) for more
information and resources**

MEDICARE

AND LONG-TERM CARE

MEDICARE RESOURCES



Medicare.gov - The Official U.S. Government Site for Medicare <http://www.medicare.gov>

800-MEDICARE(633-4227)

24 hours a day, seven days a week

<http://Eldercare.gov> - Public service of the U.S. Administration on Aging, which connects people

to services for older adults and their families

800-677-1116 Monday - Friday 9 a.m. - 8p.m.



<http://www.shiptacenter.org> - The State Health Insurance Assistance Program site that directs consumers to free Medicare counseling and assistance

The difference between
retiring *from* something and
retiring *to* something is a plan

We would like to meet with you

Trust Company of Oklahoma

Stacey Curtis – scurtis@trustok.com

Jim Savage – jsavage@trustok.com

Sara Shaklee – sshaklee@trustok.com

James Maddux – jmaddux@trustok.com

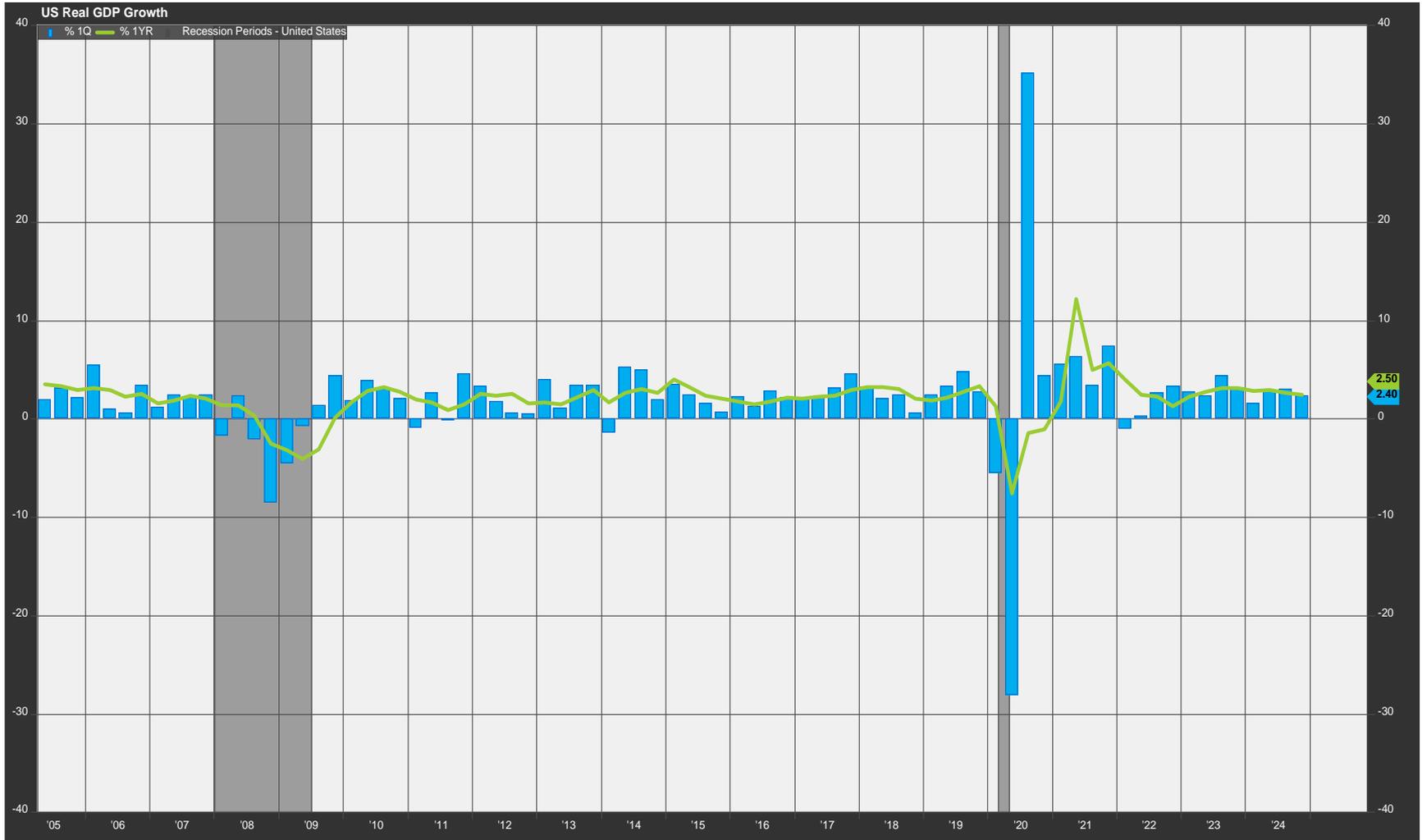
918-744-0553 | 6120 S Yale Ave, Ste. 1900 (Warran II – nearest Starbucks and 61st Street) – park between the garage and the north side of the building



Economic & Market Update

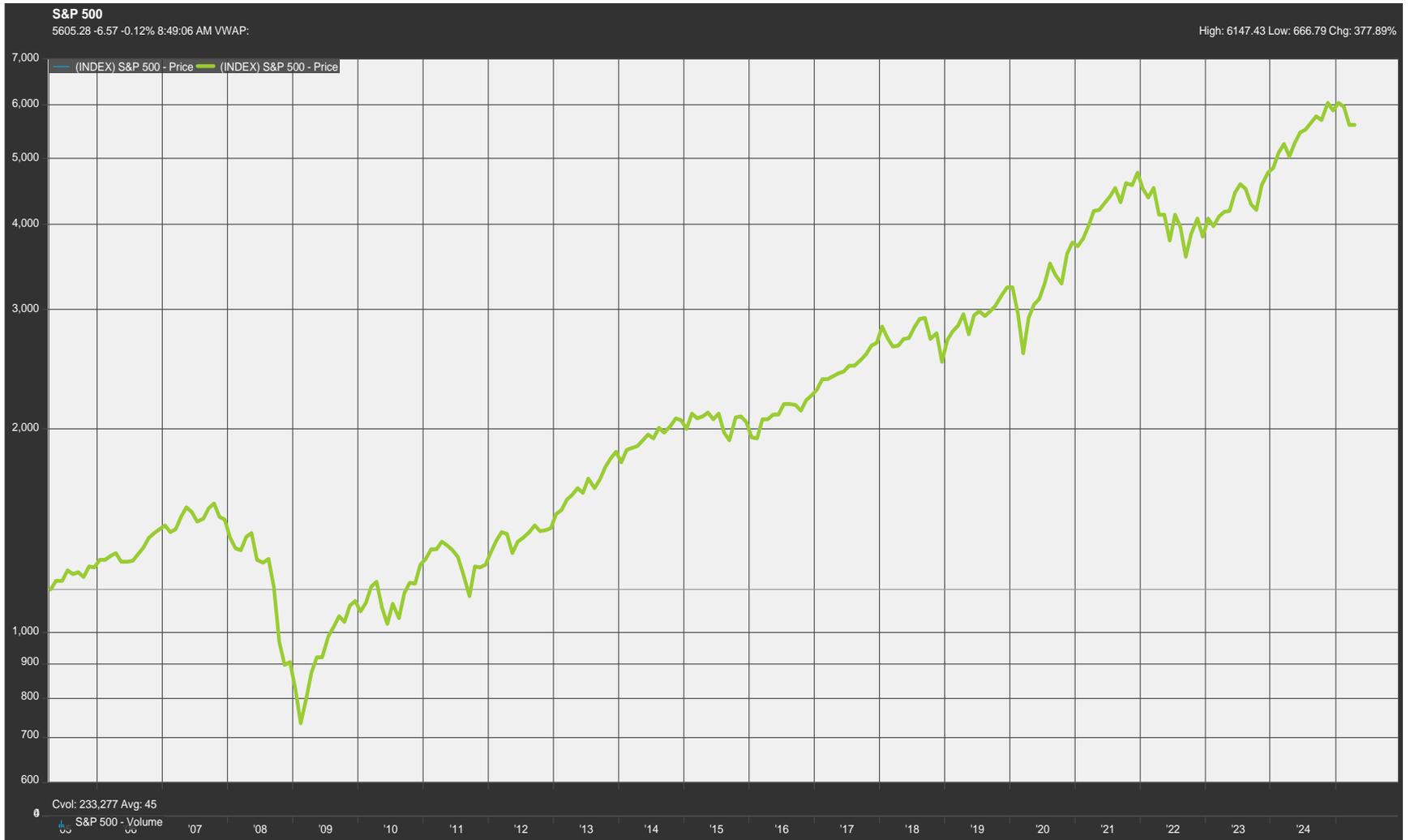
U.S. GDP

Consistent 2%-3% Growth for Last 10 Quarters



S&P 500

Current Sell-Off Does Not Reverse Long-Term Trend



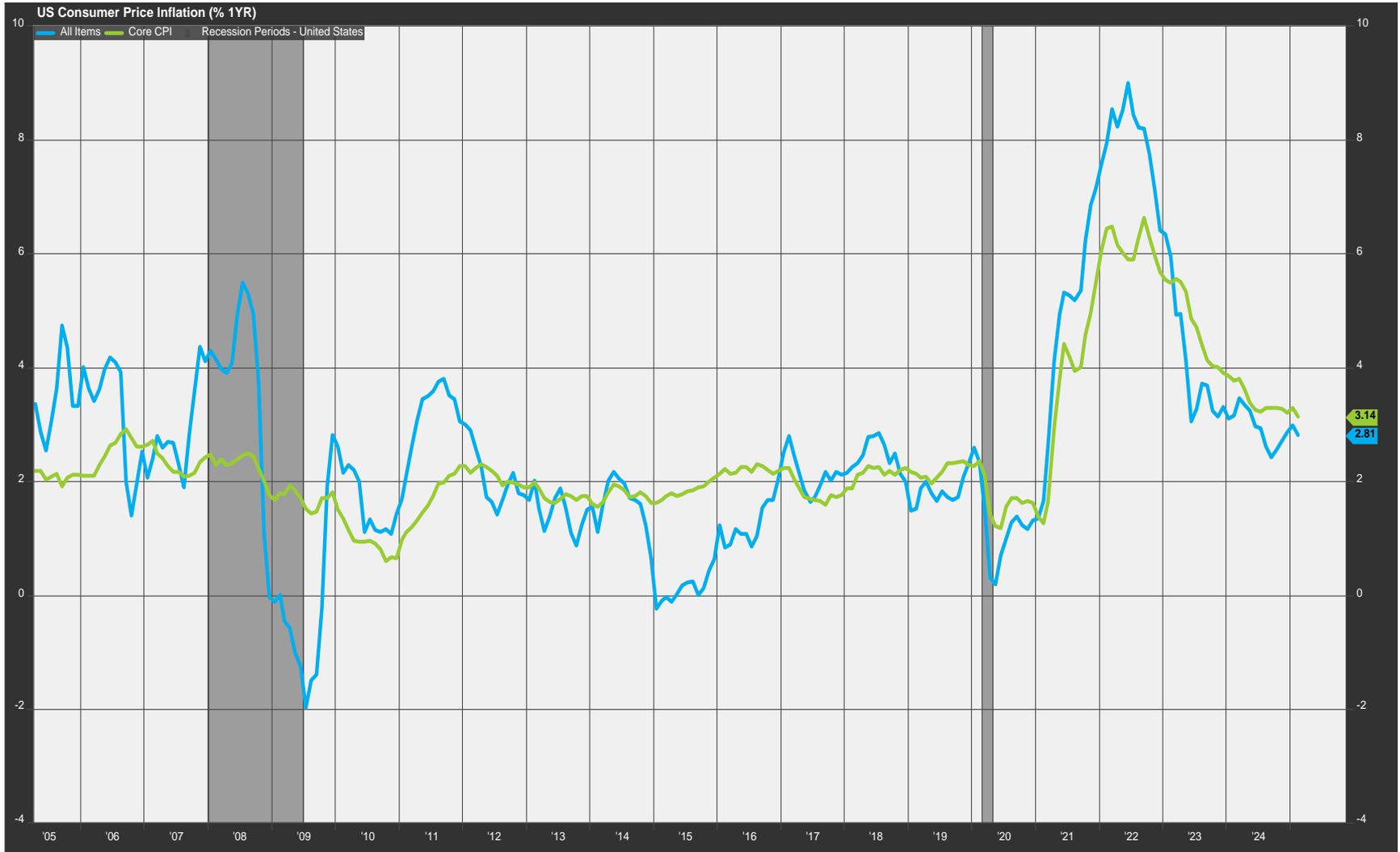
S&P 500 Earnings

Earnings Expectations have Not Adjusted for Tariff Uncertainty



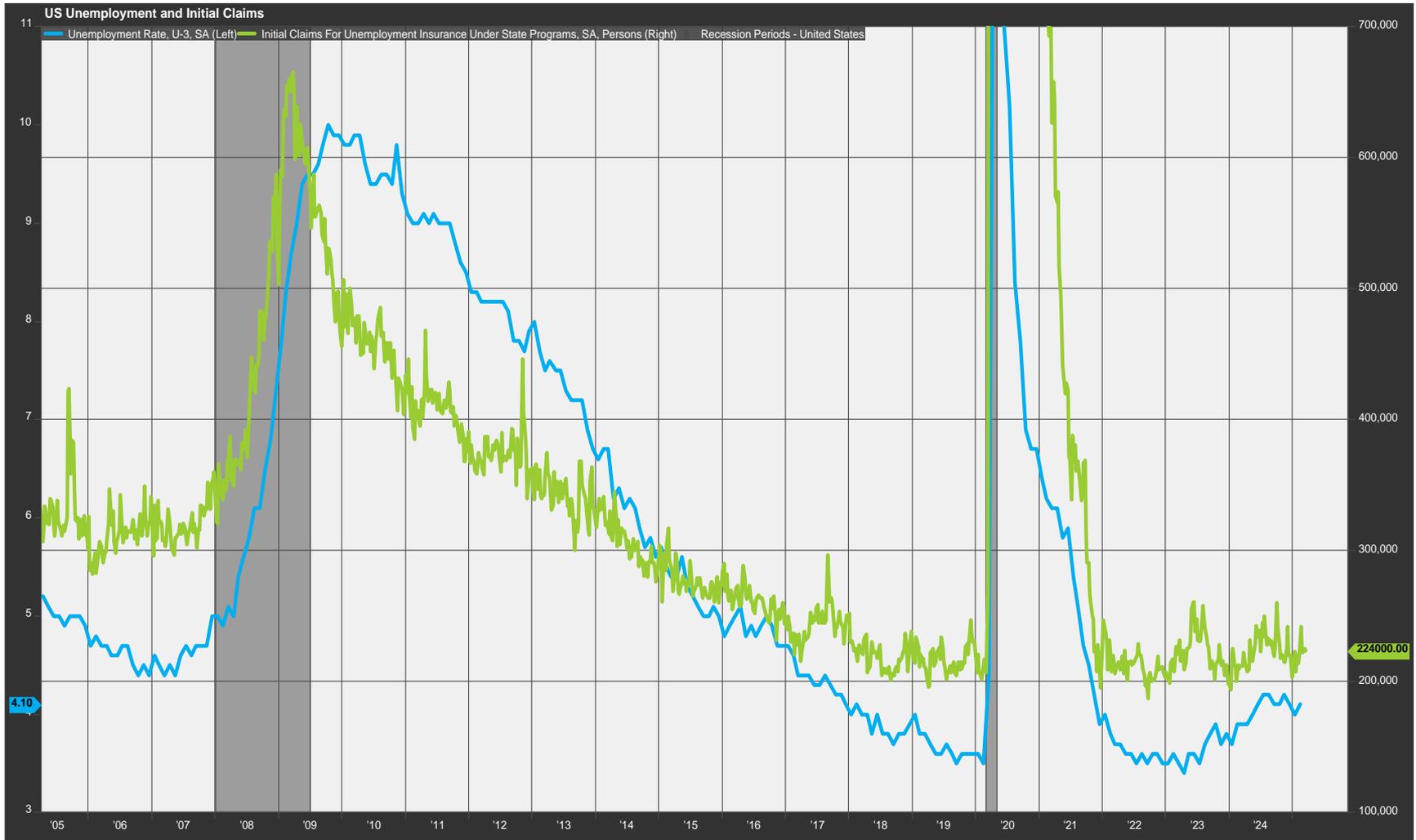
U.S. Inflation

Core Rate Stuck Around 3%



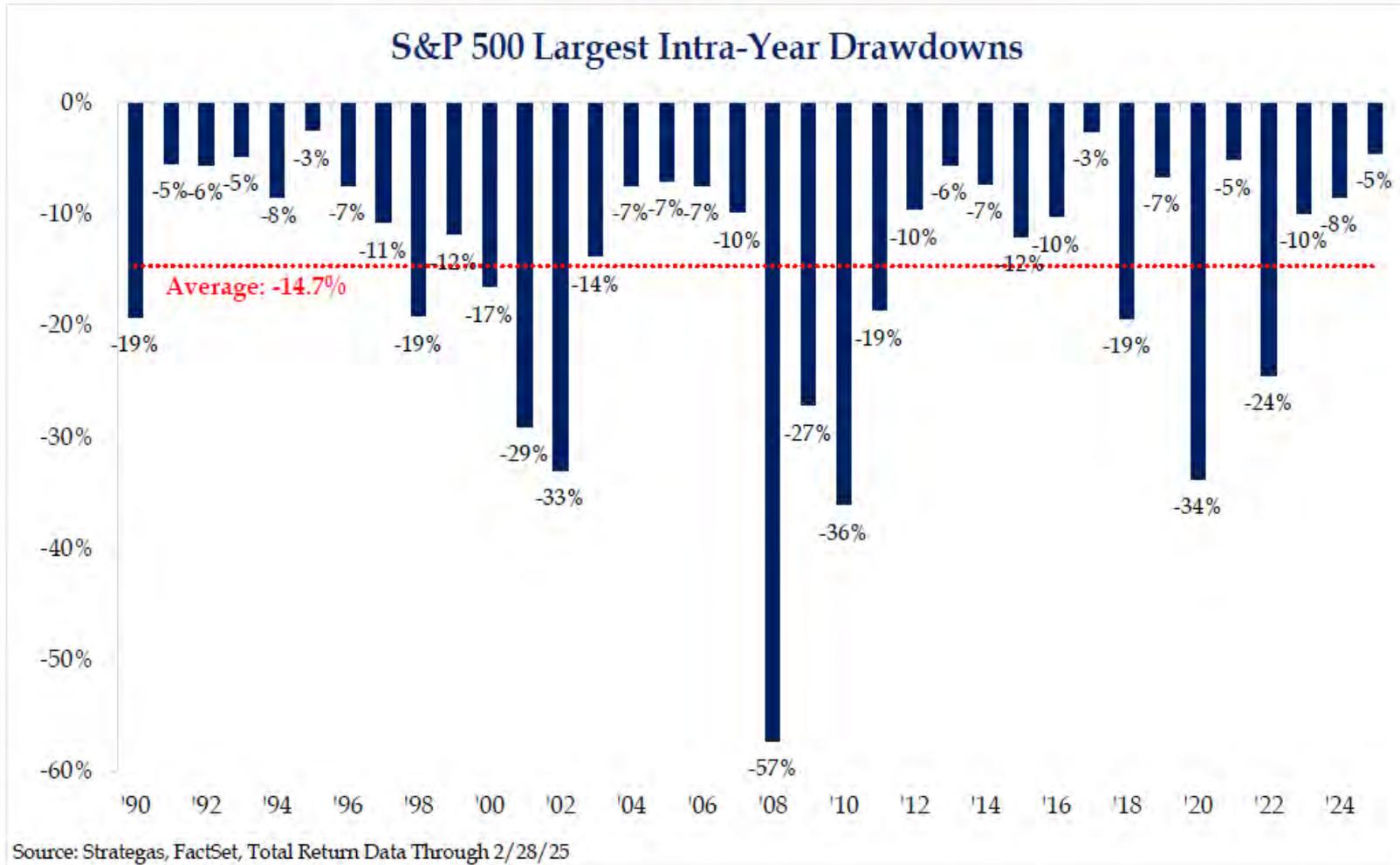
U.S. Unemployment

Rate Increasing Slightly But Still Low, Not Consistent with a Recession



Market Sells Off Almost Every Year

For Last 25 Years, Average Sell-Off is Almost 15%

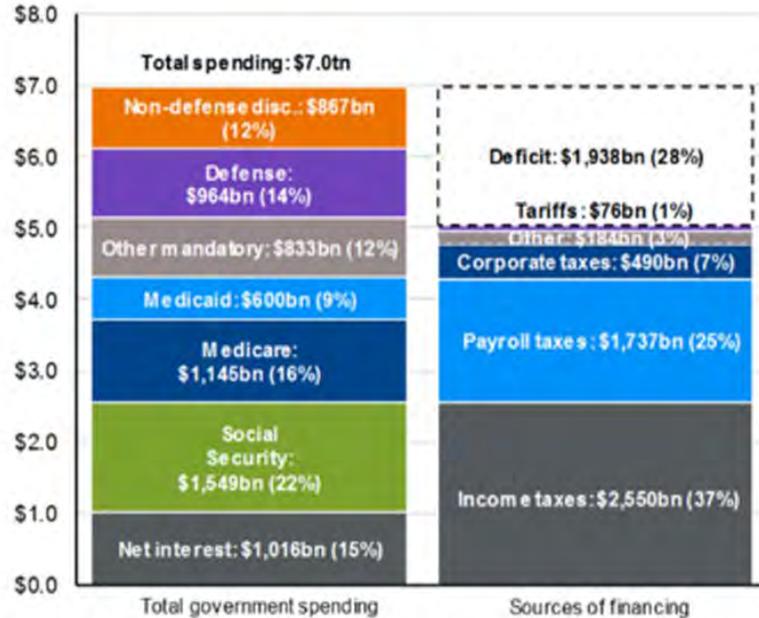


Federal Budget

Large Deficits, Interest Costs Will Continue

The 2025 federal budget

USD trillions

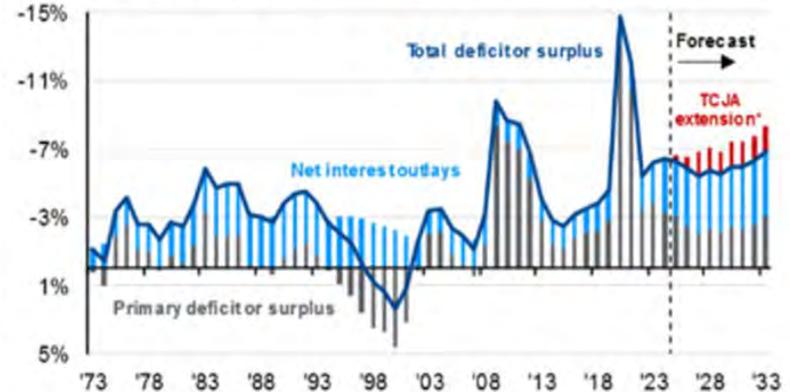


CBO's Baseline economic assumptions

	2024	'25-'26	'27-'28	'29-'34
Real GDP growth	2.9%	2.0%	1.7%	1.8%
10-year Treasury	4.5%	4.0%	3.6%	4.0%
Headline inflation (CPI)	3.2%	2.4%	2.2%	2.2%
Unemployment	3.8%	4.0%	4.3%	4.5%

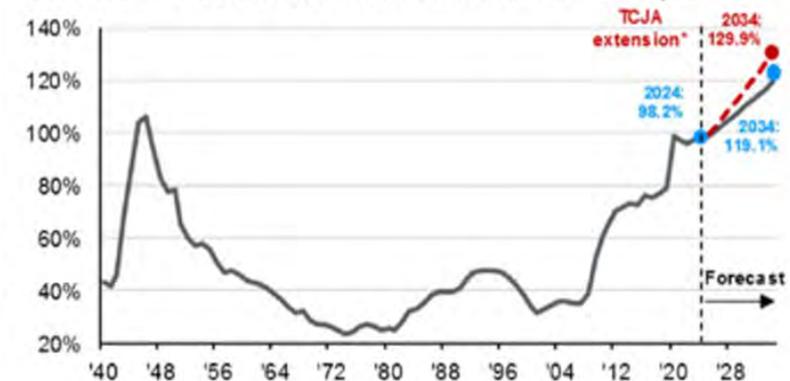
Federal deficit and net interest outlays

% of GDP, 1973-2034, CBO Baseline Forecast



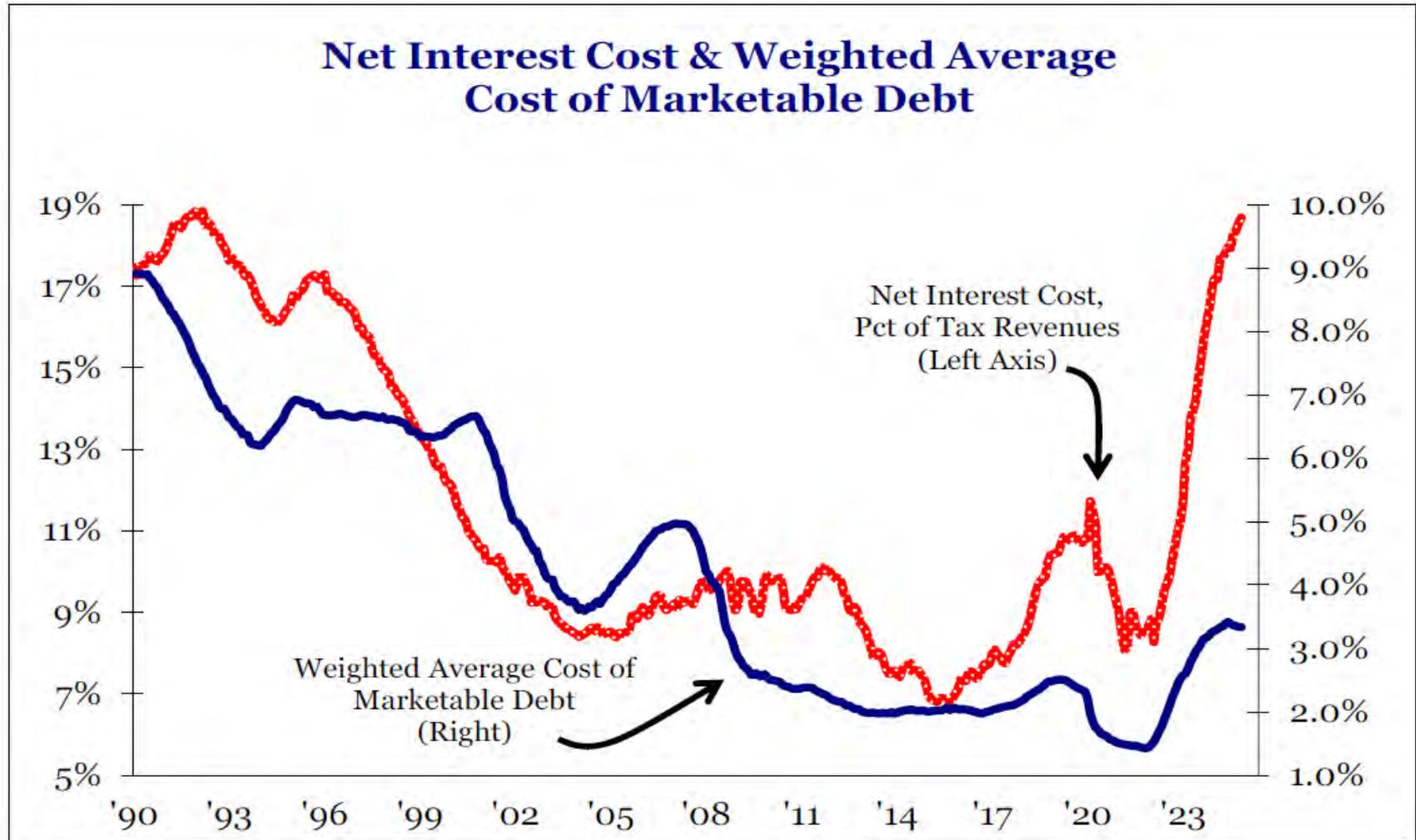
Federal net debt (accumulated deficits)

% of GDP, 1940-2034, CBO Baseline Forecast, end of fiscal year



Interest on the U.S. Debt

Total Cost has More Than Doubled As a % of Tax Revenues



Interest on the U.S. Debt

Now Equal to the \$ Amount Spent on National Defense

