

Video [\(1\) Social Security and Retirement Planning: A Hit or Myth Proposition - YouTube](#)

Kurt Czarnowski ([00:00:05](#)):

Hey, good evening, everyone. Welcome. My name is Kurt Czarnowski. Before I get started in the formal program let me just start by saying, I hope you're all staying safe and healthy and doing about as well as could be expected during these crazy, crazy times, so. Thanks for joining us this evening. Yeah, as I said, my name is Kurt Czarnowski. I'm currently the principal in Czarnowski Consulting. Those one or two in the webinar not intimately familiar with us, I'm always proud to say we're an international consulting firm whose world headquarters are conveniently located here in the basement of my house in Norfolk, Massachusetts, which is where I'm coming to you from this evening. But don't worry. At Czarnowski Consulting we like to say we provide expert answers to your social security questions. And why can I say that? Well, simple, I worked for the Social Security Administration for 34 years.

Kurt Czarnowski ([00:00:56](#)):

And the last 20 years of my job there, I was the communications director for the Social Security Administration here in New England, which meant I spent most of my time as our Canadian friends would say, oot and aboot, talking to people about the social security program. And in my retirement, such as it is, I'm actually now in my 10th year of continuing to do that same type of work, largely because I enjoy the heck out of it. It's also because I believe there's a real need for the information. Believe it or not, the social security program is now a little over 85 years old. And each and every month, the Social Security Administration pays about \$88 billion in benefits to just over 64 million people. But on top of that, there's another 178 million folks like most of you on the webinar who are out there working and currently paying into the program.

Kurt Czarnowski ([00:01:50](#)):

And what I saw during my time with the agency and now that I'm out on my own is despite the age of the program, despite the size of the program, despite the economic impact that social security has in this country today, unfortunately, the myths and misunderstandings that are out there about what it is as well as what it isn't are frankly staggering. Nobody knows nothing about the social security program as best I can tell. So as was excited to accept the invitation to spend the next seven or eight hours with you dispelling the... Well, all right, won't spend seven or eight hours, but we'll spend a little bit of time talking about some of the things I think is important for you to know about what the program is and, perhaps equally importantly, understand what it isn't. And why is it important to have that information these days? Simple. Two words, baby boomers. 75 million of us storming towards retirement, starting to wake up to the fact that the social security program has a guaranteed stream of lifetime income. They will be a bigger part of our retirement income than we had originally anticipated.

Kurt Czarnowski ([00:02:50](#)):

We're also recognizing that the retirement world staring us in the face is different than the retirement world that faced our parents and our grandparents. And so we're struggling to catch up, trying to get some good information to help better understand what the program is and recognize what it isn't. So on our time together this evening, I want to give you some good, solid information. Again, help you

understand what it is, recognize what it isn't, dispel Some of those myths and misunderstandings that are out there, and set you down the road to the comfortable retirement we all hope to enjoy.

Kurt Czarnowski ([00:03:23](#)):

Most important slide in the presentation is going to be this one, and you'll hear me reference it over and over again. Key message for me tonight that people need to understand is that when social security was created a little over 85 years ago, the program was put in place simply to provide you with a base or a foundation of income that you can count on being there for you, but it's a base of income protection you must take steps to supplement because the program was never intended to be anyone's sole source of income in retirement. But unfortunately these days about 23% of retiree couple households, the social security money that comes in each month is virtually the only income those folks get. A terrible situation.

Kurt Czarnowski ([00:04:05](#)):

So how do you avoid that happening? Well, simple. By planning for retirement, and you're to be commended taking time out of your evenings, spend a little time with me, learning about the social security program and planning for that aspect of retirement. Now, for the longest time, the Social Security Administration tried to play a more proactive role in helping you plan for your retirement. Because as I hope you recall, back in the day, social security used to mail you a paper document on annual basis. Social security statements. They started being mailed out 1999 and the original distribution plan had them going out on an annual basis to anyone who was 25 years of age or older who had ever paid into the program and who was not yet collecting benefits. That social security statement designed to show up in your mailbox about three months before your birthday each year, providing you with important retirement planning information, provided benefit estimates at three different ages, 60 to your full retirement age or 70. We'll talk in a second why those are important ages.

Kurt Czarnowski ([00:05:14](#)):

The other thing the statement did that was so important, it provided you with a nice year by year breakout in what the Social Security Administration had recorded as your work and earnings under the program. Excuse me. We'll see it a little bit. What you eventually collect is directly related to what your work and earnings have been. So if a mistake had occurred in crediting you with some earnings, it was important to catch it and correct it because if you didn't, it would have a direct impact on what you eventually receive from social security. But you may have noticed, hey, I haven't got one of those in the mail every year lately. What's the deal? Well, social security has significantly altered its distribution plans for social security statements and the big news is they no longer mail a paper document on an annual basis to anyone and everyone, 25 years of age or older.

Kurt Czarnowski ([00:06:06](#)):

Instead, what they've done first and foremost is put in place a system whereby if you go to www.socialsecurity.gov/myaccount and take about 15 or 20 minutes or so to set up an individual social security account for yourself, an important by-product of having that account in place, you'll be able to download through a secure website, a social security statement for yourself whenever you need one or want one. You're going to come in, meet with your financial advisor at Milestone, bringing a current social security statement with you is going to make that a more worthwhile exercise. So I would encourage you if you haven't done it yet, to set up an individual social security account for yourself. You'll see down the road, there are a lot of other advantages to having that account in place, particularly

once you start to collect benefits. But prior to collecting benefits, the biggest advantage is, again, you can download a social security statement whenever you need one or want one.

Kurt Czarnowski ([00:07:06](#)):

By the way, social security has announced, they've decided to resume mailing paper documents, but all be it on a very limited basis. Then what they say these days is, if you're 60 years of age or older and you haven't yet set up a social security account for yourself, they will mail you a paper document, same old schedule, showing up in your mailbox about three months before your birthday. But that's it for mailing paper documents. If you're under the age of 60, the only way you get a social security statement is by setting up your individual account. But my view is even if you're over the age of 60, I think it makes sense to set that account up. Because again, you're going to come in and do some financial planning, being able to download and bring to that meeting a current social security statement, going to make it a more worthwhile exercise.

Kurt Czarnowski ([00:07:59](#)):

So an important message for me this evening. You hear me repeat it again. Social security is going to provide you that base, that foundation. Got to find ways to supplement it. And as soon as you use that planning tool of the social security statement designed to help you see what that foundation is going to be, help drive home the message you've got to find ways to supplement it. The earlier you learn that, take steps accordingly, the more likely you are to have that comfortable retirement that we all hope to enjoy. So take advantage of this planning tool, the social security statement, and the best way to access it these days is by setting up your individual social security account.

Kurt Czarnowski ([00:08:40](#)):

So let's talk about retirement benefits. And as I travel around the country and talk to folks about... Wait a minute, who am I kidding? I'm not traveling around the country anymore these days, I'm locked here in splendid isolation at the world headquarters of Czarnowski Consulting. But I used to travel around the country and talk to folks about retirement. And when I did that, I think the single most frequently asked question had to be, "Well, when should I take my money?" That's what most people are interested in knowing.

Kurt Czarnowski ([00:09:11](#)):

So understand this, under the rules of the program, you've got choices and you got options. And what I'm going to hope to do this evening is fully explain those choices and options to you so that you fully understand what you can do under the program, but I'm in no position to tell you what you should do. After all, you're the ones who worked and paid into the program. That's your choice to make. But my view is, unless and until you fully understand what you can do, you're in no position to decide what you should do. So let's make sure you fully understand the choices and options that are available to you, understand what you can do so you can make an informed decision about what you should do. And going through that exercise, the place to start is by making sure you know what social security calls your full retirement age. Key concept under the program. Full retirement age. Now, when social security started back in 1935, Congress set full retirement age as the month you turned age 65. It was age 65 for everyone without exception. And in fact, continued that way until 1983, when Congress changed the law and increased this social security full retirement age for anyone born 1938 or later. Now, the increase gradually been phased in over time. We're now at the point where for a big chunk of the baby boomers, and it was born between 1943 and 1954, our social security full retirement age is the month we turn age

66. But it's important to note that under current law, it continues to increase beyond that. And tops out right now, anyone born 1960 or later has a social security full retirement age as the month you turn age 67.

Kurt Czarnowski ([00:11:12](#)):

You understand this, collecting at your full retirement age isn't your only choice, it isn't your only option. But make sure you know what your full retirement age month is based on your year of birth. Because you'll see, as we go through the discussion this evening, a lot of features of the program do flow from at least having reached your full retirement age, so make sure you know what yours is. But in terms of collecting social security retirement benefits, you have to start the month you hit your full retirement age. That means one thing and one thing only, it means you'll get 100% of the amount you're work and earnings entitled you to receive. And we'll talk in a second how that all gets calculated, but you start full retirement age month, you get a hundred percent of your benefit. But among the options you have are to start collecting prior to reaching your full retirement age, if that makes sense for you. And under the rules today, you can start to draw retirement payments as early as age 62, or at any point in between, by the way, you don't have to start right on your birthday. You don't have to start the first of the calendar year. But here's the thing. Social security as the name implies, is a social insurance program. And Congress has built certain social goals into the program. And one is a hope that at the end of the day, based on average life expectancy, everyone ends up with roughly the same total amount of lifetime benefits regardless of when they start to collect them.

Kurt Czarnowski ([00:12:45](#)):

And so, you opt to start collecting retirement payments prior to reaching your full retirement age month, well, because by starting sooner, in theory anyway, you'll be collecting for a longer period of time, you'll find that your monthly payment amount gets reduced. How much of a reduction? Well, it's roughly half a percent per month for each month prior to your full retirement age that you opt to collect benefits. Half percent per month, roughly a 6% per year reduction by starting early. But again, as I said before, you can start at whatever point you want. You don't have to start at your birthday. You don't have to start the first of the calendar year. But if you opt to start drawing benefits prior to reaching your full retirement age, you'll find that full retirement age benefit amount has been reduced by roughly half a percent for however many months are scheduled to elapse. And oh yeah, it's a permanent reduction. Number of those myths are out there. Too many folks mistakenly think, yeah, I know. I'll start early. I'll get less, but as soon as I hit my full retirement age, my payment will bump back up, right? Wrong. Again, permanent reduction, because the idea is if you're starting sooner, in theory again anyway, you'll be collecting for a longer period of time, you'll find that that payment amount permanently reduced by that roughly half a percent for each month prior to your full retirement age you're going to collect benefits.

Kurt Czarnowski ([00:14:24](#)):

Now, as I mentioned, you start right at your full retirement age, you get 100%, but among the options you have are to wait past full retirement age before starting. If that makes sense for you. And, excuse me, with that social insurance ID in place, if you opted to defer, well, by starting later, in theory anyway, you'll now be collecting for a shorter period of time based on average life expectancy. So by all rights, your payment amount ought to be increased if you wait. And it is. These are referred to as delayed retirement credits. And for each month after your full retirement age you opt not to collect, you'll find your benefit now increased by two thirds of a percent per month. Two thirds percent per month increase, that translates into an 8% per year increase by waiting. But again, you don't have to not collect

for a full year. For each month past your full retirement age you defer, you'll find your payment permanently increased by that two thirds of a percent.

Kurt Czarnowski ([00:15:37](#)):

But here's the key thing. Delayed retirement credits only accrue from your full retirement age month until you turn age 70. Now understand this, under the rules of the program, you never have to take your social security payments. Not like there's a required minimum distribution or anything like that like you have with your 401(k) or IRA, but you opt to defer from full retirement age until you turn age 70, you'll see your payment permanently increased by that two thirds percent for each month you deferred, you opt to wait past that before starting, it's certainly your right to do so, but you'll see no additional increase in your payment because you've waited past age 70 to collect. So let me give you a couple of examples to illustrate what I'm talking about.

Kurt Czarnowski ([00:16:26](#)):

First one. Here, we've got somebody born between '43 and '54. So therefore her full retirement age was age 66. And let's say at her full retirement age, she'd received \$1,000 a month from the program. What were the options that were available to her? Well, she wanted to start right at the earliest point, right at age 62, the way the reduction factor worked out, she'd have received 75% of her full retirement age amount. In other words, a 25% reduction. Meaning she started at age 62, she wouldn't get a thousand a month. No, she'd get \$750 per month and continuing. Well, yeah, she'd be getting \$250 less each month than she'd received if she waited. The trade-off, obviously, she'd received that lower amount sooner and in theory would have collected it for a longer period of time. Now, if she wanted to wait a bit, start at age 63, payment would have been higher. She'd had gotten \$800 a month and continuing, at her full retirement age of 66, that's when she would have received \$1,000 a month that her work and earnings entitled her to receive.

Kurt Czarnowski ([00:17:39](#)):

Let's say she wanted to wait a little bit because that made sense for her. Wanted to wait one year, start at age 67. Well, at that point, by waiting that year, her payment would be 8% higher. Meaning her benefit wouldn't be a 1,000 a month. No, it would be 1080 per month and continuing. Let's say she wanted to wait all the way until age 70. Well, that four years that she deferred, she'd have seen her payment increased by 8% for each one of those four years. And it's simple interest, not compounded. Excuse me. But it would've meant starting at age 70, her payment would have been 32% higher than her full retirement age amount. In other words, at age 70, she wouldn't have gotten a 1,000 a month, no, she'd had gotten \$1,320 per month and continuing. Let's say she wanted to wait and start at eight 72. Well, it would have been that same 1,320, right? Because no additional delayed retirement credits passed age 70.

Kurt Czarnowski ([00:18:39](#)):

2nd example. Now we've got somebody born 1960 or later. So her full retirement age is the month she turns age 67. So let's assume at age 67 she's going to get that same \$1,000 a month. What were the options that are available to her? Well, even with a full retirement age of 67, you can still start to collect as early as age 62, if you choose to do so. But now with the full retirement age of 67, if you're starting at 62, that's a full five years prior to hitting retirement, your full retirement age, they're going to see your benefit reduced even more than the way the reduction factor works out. You start at age 62 with a full retirement age of 67, you get 70% of the amount you'd receive if you waited. So in this example, \$1,000

at full retirement age of 67, she'd get \$700 starting at age 62 and continuing. Yeah, 30% reduction. But the trade off now she's collecting for five years prior to reaching her full retirement age of 67.

Kurt Czarnowski ([00:19:47](#)):

At 67 she'd gotten that \$1,000, but say she's decided she wants to wait all the way until age 70 before collecting. Here's the key thing, as I mentioned, delayed retirement credits only accrue from your full retirement age month until you turn age 70. So if you've got a full retirement age of 67, that's now only a three year period that elapses between then and age 70. So by waiting till then, you're still going to see your payment increased by 8% for each of those years, same two thirds percent per month. But now because it's only a three year period, the increase at age 70 is going to be 24% over your full retirement age amount. And so she'd be getting \$1,240 per month. Another reason why it's just important to know what your social security full retirement age month is.

Kurt Czarnowski ([00:20:46](#)):

But the bottom in all of this, your choice, your decision. What are the things you got to be thinking about? Hell, you know them as well as I do. Your health for one, right? Longevity for a second factor. I always like to ask people, do you come from a family along livers or do you come from a family of short pancreas's? Hey, it's a line out of the movie Goodbye Columbus from 50 years or so ago. Can't take credit for it, although I might like to. But do you need the money. are you going to keep working? All those factors have been to play. The whole idea was based on that average life expectancy. It really wasn't supposed to matter when you started. But you know what? Life expectancy is increasing.

Kurt Czarnowski ([00:21:28](#)):

Social security numbers say 65 year old man today, on average you're going to live to age 84. 65 year old woman, on average, going to live to age 86. But even more telling to me, social security numbers say of today's 65 year-olds, one in three expected to live to 80 age 90, one in seven expected to live to age 95. So we boomers and those who come after us need to focus on the fact that retirement for us could be a period of 20, 25 or maybe even 30 or more years in length.

Kurt Czarnowski ([00:22:05](#)):

And so my personal view tends to be, because most of us as we head out the door in retirement, if we have any type of pension at all these days, is far more likely to be the defined contribution type, right? 401(k), 403(b), 457. We're walking out the door at retirement, not with a guaranteed stream of lifetime income like you used to get with that traditional defined benefit that pension, no, we're walking out the door with a pile of money and discovering the burden has been shifted onto us to figure out how to make that pile of money last through a potentially extended period of time in retirement.

Kurt Czarnowski ([00:22:44](#)):

So it seems likely to me that later in retirement, that pile of money will have diminished. Somewhat later in retirement, healthcare costs will likely be higher so you may have a greater need for a higher monthly income come later in retirement than when you make that initial transition. And one way you can help meet that need is by, perhaps, delaying the start of your social security benefits. But again, it's not for me to say, it's your choice, your decision. I just want you to be making an informed decision. And in its simplest form, you start sooner, you get a lower payment amount for the rest of your life. You wait longer before you start, you get a higher payment amount for the rest of your life.

Kurt Czarnowski ([00:23:28](#)):

But the thing to me is when Congress set that reduction rate increase rates so many years ago based on average life expectancy at the time, it was all supposed to come out about even. But these days, because life expectancy is increasing, I tend to think that good things come to who wait. But again, not for me to say. Your choice, your decision. I just want you to be making an informed decision and making a decision about what's best for you. There is no one single right answer for anyone and everyone.

Kurt Czarnowski ([00:24:02](#)):

All right. Second area I'll get questions about is, well, how do they figure out how much I'm getting anyway? And as I mentioned before, there is a relationship between your work and your earnings, and what you eventually collect each month. But we'll see in a second, it's not a perfect correlation. And in calculating benefits, social security simply uses a formula that Congress has written right into the Social Security Act. And the formula has a number of different steps in it. First step is that social security will go back and adjust your prior year earnings for inflation, bring them up to what they are in today's dollars, but then once they'd done that, they calculate your benefit by plucking out and averaging, wait for it, your highest 35 years of inflation adjusted work under the system.

Kurt Czarnowski ([00:24:59](#)):

Another one of those myths and misunderstandings. I don't know how many folks mistakenly think, oh, it's my high three, right? Or my last five years of earnings that are used, like some other pension systems. Uh-uh (negative). Benefits are calculated by averaging a lifetime of earnings, which these days defined as your highest 35 years of work under the system. So what happens if you don't happen to have 35 years where you've worked and paid into the social security program? Unfortunately, no provision for that. Your benefit's still going to be based on an average of your 35 highest years of work. But if you don't happen to have 35 years of something, zeros get added in for those additional years and those zeros lower your average monthly wage, and therefore lower your monthly benefit.

Kurt Czarnowski ([00:26:02](#)):

But again, it's your high 35, not your high three, not your last five. Your highest 35 years of work under the system. But here's another reminder about social security being that social insurance program that I reference. And putting that formula in place, Congress has recognized that people in lower paying jobs are less likely to have a pension of any type, less likely to be able to save for retirement during their working years, because they need their money for food, clothing, and shelter. So the system is set up to try and help people who've been in lower paying job by providing a monthly payment amount, which is intended to replace a higher percentage of that person's pre-retirement income. So somebody who's been a long time low wage earner, the benefit intended to replace around 55% of that person's pre-retirement income. Now, for somebody who's been a higher...

PART 1 OF 4 ENDS [00:27:04]

Kurt Czarnowski ([00:27:03](#)):

Persons pre-retirement income. Now, for somebody who's been a higher earner throughout his or her working years, by all means he or she gets more each month in absolute terms than that lower earner does. But if you look what that payment represents, it's designed to replace a smaller percentage of that person's pre-retirement income, somewhere in the neighborhood of about 34%. And the key take-away is for the average worker these days, a Social Security benefit is only intended to replace around 41% of

what someone's making at retirement. In no case, higher earner, low earner or average earner, is your payment amount intended to replace 100% of the amount you're making at retirement, which leads us back to that first slide I showed you. And you got to recognize that the Social Security benefit is intended to provide you with this foundation, this base of income that you can count on being there for you, but it's a base of income you must take steps to supplement, because it was never intended to be anyone's sole source of income in retirement.

Kurt Czarnowski ([00:28:08](#)):

And the sooner you recognize that, work with your advisor at milestone, the more likely you are to have that comfortable retirement we all hope to enjoy. Two numbers for you to think about this evening, in the year 2020, the average Social Security retirement benefit being paid is \$1,503 per month, 1503 average Social Security retirement benefit being paid this year. I frequently get asked the question. "Well, is there a maximum payment that social security makes?" Well, qualify it by saying in the year 2020 someone who was at his or her full retirement age of 66 this year, and who for each of the past 35 consecutive years has had earnings at or above whatever the taxable maximum has been for each of those 35 years, because that's an important point, each year there's a maximum level of earnings that are subject to Social Security tax.

Kurt Czarnowski ([00:29:19](#)):

This year, you can make a half a million dollars, but you're only going to pay that 6.2% Social Security payroll tax on the first \$137, 700 that you make. Anything you make above that, sure, you'll pay a 1.45% Medicare tax, you'll pay income tax on it, but you don't pay that Social Security payroll tax. So when it comes time to average your earnings to calculate your Social Security retirement benefit, Social Security only averages in the earnings that have been subject to Social Security tax. So again, to recap, in the year 2020, someone in his or her full retirement age of 66 this year, and who for each of the past 35 years has had earnings at or above whatever the taxable maximum has been for each of those years, this year he or she receives, drum roll please, \$3,011 per month. \$3,011 per month, or a little over \$36,000 a year. A good solid base, good solid foundation.

Kurt Czarnowski ([00:30:28](#)):

But that \$1, 500 average, \$18,000 average payment, that \$3,000 monthly maximum, 36,000 or so annual maximum, it's a base, it's a foundation, and you've got to find ways to supplement that because I keep repeating, it was never intended to be your only source of income in retirement. By the way, if I had been given the full eight hours I was originally promised, we'd be going through this in excruciatingly painful detail. But I realized there may be some people out there in the audience who are sorely disappointed because you love that kind of stuff, but you want to learn more about benefit calculations and computations, I always like to direct you to the Social Security administration's website, www.socialsecurity.gov/OACT, which is an abbreviation for the Social Security Administration Office of the Actuary, great deal of information available at the office of the actuary.

Kurt Czarnowski ([00:31:42](#)):

Everybody knows what an actuary is, right? An actuary is somebody who doesn't have enough personality to be an accountant. Hey, I can tell that joke because it was told to me by the social security administration's chief actuary, who used to tell it about himself. Anyway, 35 highest years. So what happens if you slow down prior to retirement? Well, always get asked. "Does that mean I'm going to get a lower benefit?" Well, technically not, but it more likely means you're not going to have as high a

benefit as you might if you continue to work at that higher level of earnings that typically come prior to retirement. So, it's always based on a 35 highest years. Again, inflation adjusted, it's your high 35, regardless of when they occurred, not necessarily your first 35, not necessarily your last 35, not even necessarily 35 consecutive years. But again, for most people, their highest years of earnings occur right before retirement. So, if you say, retire early, don't pay into the system.

Kurt Czarnowski ([00:32:53](#)):

Or if you slow down prior to retirement, well, technically you're not going to get a lower benefit because of that, but you won't get as high a benefit as you might have had you continued to work and pay into the system at that ever increasing level. So again, your highest 35 years of work regardless of when they occur. An important thing to understand about the calculation of benefits, it's not your high three, it's not your last five, it's a lifetime of earnings. So let's spend a minute talking about working in retirement. I get a lot of questions about this. And this is another area where it's really important to know what your Social Security full retirement age month is. Because under the rules of the program, if you are under your full retirement age but looking to collect Social Security benefits and work at the same time, you need to understand that you're limited in how much you can earn before it begins to impact your ability to collect.

Kurt Czarnowski ([00:34:06](#)):

And in the year 2020, if you're under your full retirement age, you're allowed to make up to \$18,240 without any loss of benefits whatsoever. 18240 or less, you'll be able to collect full Social Security payments each and every month in the year. So what happens if you make above that? Well, it doesn't mean you can't necessarily collect at all, but Social Security's required to start holding back \$1 in benefits for every \$2 that you're over the threshold. So depending on how much you're making, may not be able to receive anything while you're under your full retirement age, not because you're over the age of 62, not because you haven't worked and paid into the system, but again, while you are under your full retirement age your subject is earnings limitation. So what counts towards that 18240? Two things, wages and or net income from self-employment.

Kurt Czarnowski ([00:35:09](#)):

In other words, earned income only. That whole wide world of unearned income you might be receiving, like a VA benefit, general motors pension, bank interest, dividends, 401k distributions, none of that counts towards that 18,240 threshold. Incidentally in 2021, they just announced that \$18,240 threshold increases to \$18,960. 18,960 or less next year you'll be able to collect every month of the year. Make above that, again, \$1 in benefits withheld for every \$2 that you're over the threshold. But the good news is, from the month you reach your full retirement age on there's no longer any earning's limitation imposed on you whatsoever. From full retirement age month on you can work and earn as much as you'd like, and collect full Social Security benefit payments at the same time. Now, I don't know how many times I've been asked the question, "Hey, I'm retired, but I'm thinking about going back to work. I'm not going to have to pay Social Security tax on my earnings, am I?" If you're in a job covered by Social Security, you're going to be required to pay Social Security tax on those earnings, which is good news for the folks with Social Security because they can certainly use the money these days, but there's potentially good news for you. Remember I said, your benefit is always calculated by averaging your 35 highest years of work. Well, as I said, it's your 35 highest years of work regardless of when they occur. So even if you are retired, you go back to work in a job covered under Social Security, well, at the end of the year you'll file your tax return. Social Security will automatically do a match, and will compare that

new year of earnings to the lowest of the 35, again, inflation adjusted years that they'd been using to calculate your benefit up until that point.

Kurt Czarnowski ([00:37:25](#)):

And if that new year of earnings is higher than the lowest of the 35 inflation adjusted years they had been using, well, the great news for you is, they drop out that low year, plug in the new year, and it results in a benefit increase for you going forward. And this ability to increase your payment through additional work, it continues forever. Yeah, those delayed retirement credits that bump in your payment because you haven't collected, those stop at age 70. But no matter how old you are, if you're working, paying into the system, and the earnings are higher than the lowest of your 35 years, your benefits going to go up no matter how old you are. And the other bit of good news about working, well, frankly, it never really hurts. So you've been a high priced executive, but in retirement, take a part-time job at the local golf course, working at the pro shop driving the beer cart around, doing something like that.

Kurt Czarnowski ([00:38:23](#)):

But at the end of the year, you make a couple thousand bucks, which is probably going to be lower than the lowest of your 35 years of work. So what happens to your benefit at that point? Nothing. Continues at the same level, because it's always based on your highest 35 years of work regardless of when they occur. So I said a while ago, I think good things come to those who wait. Good things I think also come to those who work. Because as long as you continue to work and pay into the system, there's always the possibility that those additional earnings will increase your benefit, they're never going to reduce it. So let's look at the slide in that lower right-hand corner. What's that all about? Well, so this pertains to a situation where you are under your full retirement age, collecting benefits, but you go back to work and you earn more than the allowed amount, so that Social Security withholds one, two, three, however many months worth of benefit payments because you've exceeded the earning's threshold.

Kurt Czarnowski ([00:39:33](#)):

I said good things come to those who wait, and work never really hurts, and work never really hurts prior to full retirement age either because here's what happens. If you think about it, you file for benefits prior to reaching your full retirement age, Social Security initially sets your benefit payment by reducing your full retirement age payment amount by roughly half a percent for however many months you're expected to collect between the points you start and your full retirement age. The good news for you is, if prior to full retirement age, there are months where you do not collect because your earnings have exceeded the allowed amount, at your full retirement age Social Security does go back re-examine your record. And what they will do, is adjust your benefit upward so that the final reduction in your full retirement age benefit amount is only roughly that half a percent for however many months you actually collected benefits.

Kurt Czarnowski ([00:40:43](#)):

So people often ask, "Well, if I lose payments because I'm working, do I ever get the money back?" Well, yes you do. Now you don't get it back in terms of a cash payout, but you do get those loss payments back in terms of an actuarial adjustment of your benefit amount upward. So again, this happens once at full retirement age, and the final reduction in your full retirement age benefit is only for the number of months you actually collected. So again, to repeat. I think good things come to those who wait and I think good things come to those who work. Because as long as you're working, paying into the system,

there's always the possibility those payments will increase as a result of that work activity. But again, make sure you know what your full retirement age month is based on your year of birth.

Kurt Czarnowski ([00:41:37](#)):

Because again, once you reach your full retirement age month, well then yeah, that earnings test no longer comes into play and you can work and earn as much as you'd like without any loss of benefits whatsoever. All right, let's spend a couple of minutes talking about spousal benefits, survivor benefits and divorced spousal benefits. And then we'll touch on some Social Security claiming strategies that had been all the rage for a while, but are now largely long gone and hard to find. We'll talk about those in a second, but they all pertain to way that spouses and couples could maximize their lifetime Social Security benefits. But before you can understand how the strategies worked, you need to have a basic understanding of how the spousal benefit program operates. And the Social Security spousal benefit program, frankly, put in place by Congress largely to support the model of the American family of the 1950s and the 1960s.

Kurt Czarnowski ([00:42:47](#)):

So I illustrate the spousal benefit program by referring to what in my baby boomer estimation was the prototypical American household or the 50s and 60s. It was a Cleaver family from the TV show, Leave It to Beaver. Because in the Cleaver household you had Ward and June, but Ward Cleaver was the breadwinner of the family. Ward Cleaver, he came downstairs each morning. He was impeccably dressed. He left the home briefcase in hand. Now, we have no idea what Ward did or where he went, but he worked outside the home. June Cleaver, as you recall, prototypical American housewife in the 50s and 60s, well, she came downstairs each morning equally impeccably dressed, right? She had pearls and high heels on at 8:00 in the morning, no sweat pants for her, but June Cleaver never worked a day outside the home in her life. Her job, well, it was to have brownies and milk available for Wally [inaudible 00:43:46] at the end of a hard day of school being chased around by Eddie Haskell and Lumpy Rutherford.

Kurt Czarnowski ([00:43:51](#)):

Well social securities spousal benefit programs supports the Cleaver family model in the following way. Ward Cleaver, breadwinner, he'll get a benefit based on whatever that mysterious work was. So, let's say, Ward full retirement age of 66, gets a full retirement age benefit amount of \$1,000 per month. June Cleaver, at her full retirement age is going to be able to collect a monthly payment amount equal to 50% of Ward's full retirement age amount, or in our example, \$500 a month, that will be paid to her in addition to the \$1,000 that's paid to Ward, and it will be paid to her even though she may not have worked a day outside the home in her life. Now, for June to collect a few conditions have to be met. First and foremost, Ward must be collecting his own retirement benefit. He must be collecting his own retirement benefit in order for June to be able to claim and receive that spousal payment.

Kurt Czarnowski ([00:45:06](#)):

Years ago, there was an old claiming strategy called file and suspend, which said that if Ward had reached his full retirement age, he had the option of filing an application for retirement benefits immediately asking to have his payments suspended so that he wouldn't collect anything. And by not collecting, he'd be accruing delayed retirement credits growing as benefit. But under the old rules, his simply having applied for benefits allowed Social Security to pay a spousal portion to June. Well, that file and suspend aspect has been eliminated since April 30th of 2016. And so, now the only way June can

collect that spousal benefit is if ward is actually collecting his own retirement payment. Unless, and until he starts to collect, she can't receive that spousal portion. Second, June has to be at least age 62. Earliest age a spouse can collect no different than on the retirement program. When she's at her full retirement age when she applies, that's when she gets the full 50% of Ward's full retirement age amount.

Kurt Czarnowski ([00:46:28](#)):

If she's younger than that, well at 50% gets reduced. Again, starting sooner in theory, collecting for a longer period of time, she's given less on an individual monthly basis. And the third key point about spousal benefits, June's payment is based on 50% of Ward's full retirement age amount, not necessarily 50% of the amount he may actually be collecting. So, for example, Ward, full retirement age amount 1,000, but he opts to wait till age 70, so he's receiving \$1,320 per month. June's spousal payment is still at her full retirement age, only going to be \$500 or 50% of his full retirement age amount. So, in this instance, she gets less than half of what he's collecting, but by the same token or at full retirement age amount 1,000, but he opted to start collecting at age 62, so he was only getting 750 per month. If June's at full retirement age, she'll get a full 50% of his full retirement age amount or \$500. So in this second instance, she collects more than half.

Kurt Czarnowski ([00:47:50](#)):

So it's based on 50% of the full retirement age amount. That's the 50s and 60s, right? Flash-forward 70s, 80s beyond, because now in all likelihood the June Cleaver's of the world will have joined the workforce, will have worked, will have paid into the Social Security program. How does that all work? So, let's assume June's got a benefit of \$800 a month. Ward's got his \$1,000. They had the Social Security together. Ward gets his 1,000, June gets her 800 Social Security and is about to say goodbye and good luck. And June goes, "Hey, Hey, Hey, you can't fool me. Where's my \$500 spousal benefit?" At that point the good folks in Social Security go, "Sorry, June, under the rules, as Ward's spouse, you're eligible to collect that 50% of his full retirement age amount or your own one amount or the other, whichever one is higher, but you don't get both at once. Because in our example, around \$800 benefit exceeded 50% of Ward's full retirement age amount, that's what she collects.

Kurt Czarnowski ([00:49:05](#)):

Now, saying she hadn't worked that much though. So her own benefit was only \$250 per month. Well, she always gets her own retirement benefit first. And then in this case, Social Security would give her an additional \$250, that's spousal portion added to her own to bring her total payment up to that 50% of Ward's full retirement age amount. All right. Spousal benefits program's absolutely totally completely gender neutral. Say the Cleavers had been ahead of their day, and Ward was a stay at home dad, June was the primary breadwinner. Then everything I talked about would be equally true. Now, what about payments in cases of same-sex marriage? Well, the great news is, since June of 2013 and the Windsor versus the United States Supreme Court case. And then in 2015, with the Obergefell versus Hodges Supreme Court decision, Social Security will pay spousal benefits in case of same-sex marriage.

Kurt Czarnowski ([00:50:12](#)):

Now, Social Security does have a duration of marriage requirement that must be met. You have to have been married for at least a year prior to being able to collect spousal benefits. But that one year duration of marriage requirement can be waived, if the month before the marriage occurs both members of the couple are collecting Social Security benefits. But there is that one year duration of marriage requirement that must be met. Since the Obergefell decision, Social Security, same sex

marriage legal in every state, other states are required to recognize same-sex marriages that occurred in other states and basically Social Security will pay spousal benefits in case of same-sex marriage. Now, what if it's a situation though, where what Social Security calls, a non-marital legal relationship? Well, there're civil unions, there are other things like that, basically in cases like this, Social Security differs to the laws of the state in which the applicant is domiciled.

Kurt Czarnowski ([00:51:23](#)):

And if the state happens to recognize civil unions, then Social Security will recognize in that state. What about same-sex marriages that may have occurred in foreign countries? Well, Social Security, again, will recognize that marriage if it was performed at a time when the country recognized same-sex marriage. And in social securities instructions for field offices, they do have listings that explain different countries when same-sex marriage was legalized in those other countries and Social Security simply defers to that. In those same instructions, they have listing state by state of whether a state or what types of non-marital legal relations that the state recognizes. And it's basically, does the state recognize that relationship for inheritance purposes. And if they do, then again, Social Security governed by state law in the state where the folks are domiciled. So, spousal benefits hugely important part of the Social Security program, but the spousal benefit, 50% of the higher earner's full retirement age amount, or the individuals own, one amount of the other. You don't get both at once.

Kurt Czarnowski ([00:52:48](#)):

So what about survivor benefits? How does that all work? Widows and widowers. Where in the basic news for, and we'll stay with June and Ward. For June, it's going to be a little bit better. Because if Ward passes away leaving June as a widow, her Social Security survivor benefit, not going to be 50% of Ward's full retirement age amount, no, it's going to be 100% of what he was collecting at the time he passed away or would have been collecting had he started drawing benefits that month. Oh yes. Still, or her own, one amount or the other at a time. You still never get both at once. So, for example, Ward's getting 1,000, June's getting 800, Ward dies. Assuming June's at her full retirement age, she'll immediately receive an additional \$200 a month, moving her from her own \$800 benefit up to 100% of what Ward was collecting when he passed away. Well, that's the good news. The bad news is, again, it's one payment amount or the other. So if you think about it, while they were both alive, there were -

PART 2 OF 4 ENDS [00:54:04]

Kurt Czarnowski ([00:54:03](#)):

So, if you think about it, while they were both alive, they were getting \$1,800 a month in Social Security payments. He passes away. While their individual benefit goes up, it's as if her old payment goes away. It's just something you need to plan for and recognize, that it's one amount or the other. You never get both full payments at once.

Kurt Czarnowski ([00:54:23](#)):

The other point I want to make is this. Say, Ward though, full retirement age 66, getting \$1,000, opted to wait until age 70 before starting to collect. So when he passed away, he was getting \$1,320 per month. Well, the better news for June is, her payment is now going to be increased past that 1,000 all the way up to the 1,320 that he had been receiving the month he passed away.

Kurt Czarnowski ([00:54:53](#)):

So keep this in mind in deciding when to start to draw your own retirement benefit. Just recognize that by opting to wait, not only is your own payment higher because you wait, it also means that any survivor payment that could be made upon your passing is going to be higher as well. And by starting sooner, your benefit's lower than it would be if you waited, it also means that any survivor payment is going to be lower as well. Another reason why I tend to think good things come to those who wait.

Kurt Czarnowski ([00:55:23](#)):

With widows and widowers, you can actually start to collect a little bit sooner, start to collect as early as age 60, but the same concept holds. You start before hitting your full retirement age, your payment's reduced because again, starting sooner in theory, collecting for a longer period of time. And if you start right at the earliest point, right at age 60, you get 71-1/2% of the amount you'd receive if you waited until full retirement age. And as I mentioned, your payment's based on 100% of what the deceased was collecting at the time of death, or would have been collecting had he or she started drawing benefits the month they passed away.

Kurt Czarnowski ([00:56:06](#)):

So back to Ward and June. Full retirement age amount, \$1,000 to 66, intends to wait until age 70, but unfortunately passes away at age 68, never having drawn a penny. Well, the good news for June is her survivor benefits based on that age 68 payment rate, meaning the two years worth of delayed retirement credits that Ward had been accruing, but never personally benefited from, do mean a higher survivor benefit to June. Again, good things come to those who wait.

Kurt Czarnowski ([00:56:38](#)):

Last point, this third bullet is an important one though. I've been emphasizing, yes indeed, you collect on one account for the other at a time. You don't collect both at once. But under the survivor benefit program, it is possible to sequence the collection. Meaning you can start to collect a reduced amount, say as a survivor, collect, collect, collect. And then at full retirement age, switch over and begin to receive a full unreduced retirement benefit. The fact you've been collecting a reduced survivor benefit doesn't prevent you from getting a full unreduced retirement benefit.

Kurt Czarnowski ([00:57:17](#)):

And the reverse could be true. You can start to collect the reduced retirement benefit as early as age 62, and then switch over to the survivor payment at full retirement age. But keep this in mind, whether you're looking to collect a retirement benefit, a spousal benefit, or survivor benefit, and you're going to be working at the same time while you're under your full retirement age, you're going to be subject to that earnings limitation.

Kurt Czarnowski ([00:57:44](#)):

So that applies in survivor benefits too. So you could be under your full retirement age, still working, that \$18,240 threshold impacts whether or not you can collect. But again, it goes away once you have reached full retirement age. Again, collect on one or the other. You don't get both benefits at once. But the folks at Social Security can help you lay out what the different benefit amounts are and you can decide a strategy of perhaps collecting a reduced amount on one account and then switching to the other at the later date.

Kurt Czarnowski ([00:58:20](#)):

Survivor benefits. So what about benefits for divorced spouses? So what if Ward and June get divorced? Can June collect as a divorced spouse based on Ward's work record? And the answer is if a few conditions have been met. And what are those conditions? Well, the first condition is the marriage needs to have lasted at least 10 years prior to the divorce, 10 year duration of marriage requirement. Again, to collect in the first place if the marriage is intact, it's only a one-year duration of marriage requirement. But for divorced spousal benefits, marriage needs to have lasted at least 10 years prior to the divorce. And what does Social Security look at? Well, they look at the date of the marriage and the date the divorce became final. 10 years need to elapse.

Kurt Czarnowski ([00:59:09](#)):

Second, for June to be able to collect, she cannot be married. She cannot be married. Now Ward, in our example, he can have remarried without impacting her ability to collect on him, but for her to be able to collect, she cannot be married.

Kurt Czarnowski ([00:59:27](#)):

Thirdly, she has to be at least age 62, earliest age a divorced spouse can collect, no different than regular spousal benefits. Now I did mention if the marriage were intact, that June couldn't receive a spousal payment unless and until Ward was actually collecting. But in cases of divorce, what the law says is, as long as each of them are 62 years of age or older, and the divorce has been finalized for at least two years, then June can collect as a divorced spouse based on Ward's work record, even if he has not yet started to collect. So they both have to be over 62, have to have been divorced at least two years, the divorce been final for at least two years. At that point, she can collect as a divorced spouse, even if he has not yet started to collect.

Kurt Czarnowski ([01:00:20](#)):

So with all those conditions being met, what's she entitled receive? Well simple, as if the marriage was still intact. She could collect 50% of his full retirement age amount or her own, one of the other, whichever one were higher. And if he were to pass away, 100% or her own, one amount or the other at a time, not both at once. And under the law, divorced spouses are treated absolutely, totally, completely independently of one another. So Ward in our example could have a whole series of 10 year marriages and each one of those exes is potentially eligible to collect without impacting anyone else on the record. But what if June has had a whole series of 10 year marriages? Can she collect a divorced spouse benefit on each of her exes? And the answer is no. Basically she's able to pick and collect based on the highest of those 10 year marriage records. You don't get all of them at once, one amount or the other, whichever one is higher.

Kurt Czarnowski ([01:01:26](#)):

So again, we talked about spousal benefits, survivor benefits, divorced spousal benefits, again, program gender neutral, the program recognizes same sex marriage treated no differently since the Obergefell decision in 2015.

Kurt Czarnowski ([01:01:43](#)):

So what about social security claiming strategies that you may have heard about, read about and wondered what's it all about, Alfie? Well, we already talked about the fact that file and suspend, long gone and hard to find. I want to touch on a social security claiming strategy that was called claim some now or claim some later or end claim some later. Again, it's a strategy that applied to the way couples

were able to perhaps maximize their lifetime social security benefits and the key concept in this claiming strategy float around the concept of deemed filing on a concept in the law that says, basically, if you were looking to collect either a retirement or a spousal benefit you were required or deemed to apply for the other benefit at the same time. The thing though about deemed filing prior to 2015 was that this deemed filing, meaning you couldn't pick and choose which one you wanted to collect on, actually went away once you had reached your full retirement age, but if you were under your full retirement age, you didn't have the option of picking and choosing.

Kurt Czarnowski ([01:03:09](#)):

In other words, you went to social security at age 62. You couldn't say, hey, I just want to take my spousal benefit and wait to collect my own later. No, under the deemed filing rules, you are required to file for both and you'd be paid on one amount or the other, whichever one were higher, but it was the bi-partisan budget bill out of 2015 that extended this concept of deemed filing to whatever age you happen to be at when you applied for benefits. So with that as a background, what was this old claim some now claim more later strategy?

Kurt Czarnowski ([01:03:51](#)):

Well, again, we'll illustrate it with the Cleaver family again, and now you've got a situation though were both Ward and June had worked, both had paid into the program. Ward, he wants to wait. June wants to start collecting. So June starts to collect. She's over the age of 62. She's collecting her own retirement benefit. But Ward, because he's attended a few Czarnowski Consulting seminars had decided he wanted to wait until age 70 before collecting his own retirement benefit. And he was wondering, was there something he could do to get himself some money while he was waiting to collect his own retirement benefit?

Kurt Czarnowski ([01:04:33](#)):

And under this old claim, some now claim more later strategy, there certainly was. That if he had waited until his full retirement age, and June had to be collecting, he had the option of taking just a spousal benefit without having to apply for his own retirement benefit first. Under the old rules that his full retirement age, that deemed filing rule, didn't apply. So he could begin to receive a monthly amount equal to 50% of June's full retirement age amount, while continuing to defer collection of his own. It was a great deal. He was able to get something while at the same time, continuing to accrue delayed retirement credits growing his own benefit by that two thirds percent per month, 8% per year, where at age 70 he'd come back to social security, take his own benefit. It would be that 32% higher, but he'd been paid that spousal portion in the meantime.

Kurt Czarnowski ([01:05:37](#)):

Again, he had to be at full retirement age to take advantage of this. Under full retirement age, you didn't have the option of picking and choosing. So what did that legislation back in November of 2015 do? Well, it basically eliminated this ability to pick and choose, if you will, for anyone born January 2nd, 1954 or later. All right, born January 2nd, 1954 or later, you no longer had that option of picking and choosing. You were always governed by the deemed filing rule, no matter what age you are at when you applied for social security benefits.

Kurt Czarnowski ([01:06:19](#)):

But the law did allow for a phase out period and it allowed anyone born January 1st, 1954 or earlier to operate under the old rules. And they were still given the option or opportunity to pick and choose, but they still had to be at full retirement age and the other member of the couple had to have been collecting benefits to be able to do that. But basically this change in the law has eliminated that claim some now, claim more later strategy for anyone born January 2nd, 1954 or later, and that whatever age you're at, when you go to social security, can't just choose spousal benefits and not apply for your own and vice versa. You're deemed to be filing for both.

Kurt Czarnowski ([01:07:10](#)):

But the third bullet is a key one. Just to remind you the change in the rules did nothing to change what I had talked about a couple of slides ago about widows and widowers having the ability to collect on one account under full retirement age, and then switch to the other account at a later date. Survivors, widows and widowers, still have the option of picking and choosing this elimination of the claim some now, claim more later strategy pertained only to spousal benefits.

Kurt Czarnowski ([01:07:44](#)):

So another strategy that was out there for a long time that people had questions about was the social security do-over, or what happens if I change my mind about collecting social security benefits? Well, social security has always had a process in place whereby if you change your mind about filing and receiving social security benefits, you had a way to undo what you had done. And the technical term was you would withdraw the application that you had previously filed. And for social security to grant that withdrawal request, you need to do just one thing, you needed to repay any benefits you may have received. But the key thing was social security, never charged interest. You only repaid the principal.

Kurt Czarnowski ([01:08:41](#)):

And so what had arisen as a claiming strategy was say, for example, Ward Cleaver could apply for retirement benefits at age 62, collect, collect, collect, collect, collect, collect, and under the old rules at age 70, for example, he could go back to social security and say, I changed my mind. I want to undo what I had done eight years ago. Social security would say fine. They wake up one of the actuaries, some of their dreams about being an accountant, figure out how much he had collected during that eight year period. And once he wrote a check and again, it was only for the principal. Then it was, if that age 62 application never occurred, he was free to reapply and his ongoing benefit rate wouldn't be that initial aged 62 reduced rate he'd been collecting on. No, it would be that age 70, the rate.

Kurt Czarnowski ([01:09:39](#)):

If you think about it, he would have been receiving an interest free loan from social security. And this struck the commissioner of social security as wrong. Somehow the people doing this were gaming the system. So about 10 years or so ago, the rules were tightened up. And you now, if you change your mind about collecting benefits, you can still withdraw your application, repay any benefits you receive without interest being charged and reapply at a later date, you can only do so within 12 months of collecting benefits. And you can only do that once in a lifetime. So what had been referred to as the do-over, I always say now more properly called the no can do-over. But I want to point out important feature of the social security program, because under the law, once you have reached your full retirement age, you have the option of requesting what is called voluntary payment suspension, meaning you can call up social security and ask to have your benefits suspended for the time being. And if you ask to have your payments suspended, you won't be paid anything, but for each month that you request to have your

payments suspended, you'll be back in the business of accruing delayed retirement credits, growing your benefit, two thirds percent per month, going forward. Now keep this in mind, we talked about how under the change in the file and suspend rules while file and suspend was sort of eliminated as an option, it was eliminated as an option because of what the law says is yeah, you can request that your payments be suspended. But if you ask to have your payments suspended, social security is also required to suspend the benefits to anyone and everyone else who might be collecting on your record. So that situation where Ward, full retirement age, filed and suspended so June could collect, that was eliminated because if he asked to have his payments suspended, her benefits would be suspended as well. That was the big impact of that.

Kurt Czarnowski ([01:11:58](#)):

But again, at full retirement age, you still have the option of requesting voluntary payment suspension. Well, why do I raise that as an issue? Well, for example, you start to collect social security benefits at age 62, getting a reduced amount. You hit your full retirement age and you realize, shoot, I should have waited. I could use a higher benefit amount. Well, the good news is because you're at your full retirement age, you have the option of calling social security, requesting to have your payments voluntarily suspended and for each month that you do, you'll be back in the business of accruing delayed retirement credits. But just keep in mind if you've got other people collecting on your record, their payments are going to be suspended as well. So again, the social security do-over significantly changed. If you change your mind. Yeah, within 12 months of collecting and once in a lifetime, you can undo what you've done. But even if you've missed that window at or after full retirement age, you can always ask to have your payments voluntarily suspended.

Kurt Czarnowski ([01:13:02](#)):

What about taxation of benefits? Well, prior to 1983, social security payments were completely federal tax free. That year Congress changed the IRS code said if you're a higher income social security beneficiary, you'd be required to pay federal income tax on a portion of your benefit payments. How do they define higher income back then? Well, they said, if you were a single tax filer, you had modified adjusted gross income and excess of \$25,000 or a couple filing jointly in excess of 32,000, you'd be required to pay federal income tax on a portion of your benefit payments.

Kurt Czarnowski ([01:13:38](#)):

Key thing is those thresholds from 1983 have not been indexed. And here we are 37 years later at the end of the year, if you've been collecting social security benefits, at the end of the year when you file your tax return, if you're a single tax filer, you have modified adjusted gross income, which consists of your adjusted gross income, 50% of your social security benefits and tax-free interest. You have that in excess of 25,000 couple filing jointly in excess of 32,000. You're not going to find yourself having to pay federal income tax on up to 85% of the benefits that you would receive in the prior year. Treated as ordinary income tax or whatever marginal tax rate you happen to be at. These days, about half of the people will get social security, do find themselves paying federal income tax on a portion of their benefit payments.

Kurt Czarnowski ([01:14:27](#)):

Again, 15% always federal tax-free, but up to 85% could be treated as ordinary income tax of whatever marginal tax rate you're at. And then end of year social security sends you a 1099 form, use that in filing your tax return. People ask does social security automatically withhold a portion of my benefits and

send to the IRS in advance like they do with my salary? The answer is no, they don't do it automatically, but if you'd like to have it done, at your request, social security will withhold a portion of your payments send it off to the IRS in advance, may eliminate the need for filing quarterly estimates. But again, taxation of benefits, something you need to plan for.

Kurt Czarnowski ([01:15:05](#)):

By the way, this is federal tax rules only. State tax law varies from state to state. The vast majority of states, 37 out of 50 states, do not tax social security benefits in any way, shape or fashion, but that does leave 13 states that do so, depending upon where you end up in retirement, you need to check with the state taxing authority where you reside, because you may find yourself paying state tax as well. But again, the vast majority don't.

Kurt Czarnowski ([01:15:33](#)):

So you've reached the end. You've decided I'm going to retire at the end of the calendar year. I want to apply for social security, retirement benefits and start to collect effective with the month of January. What do you have to do? Well, the important thing to start with is social security will be able to accept an application for benefits a maximum of three months in advance of the month you want to start to collect. So if you decide, you want to start to collect effective with the month of January. You can apply any time after October 1st, you can't apply more than three months in advance of the month you want to start to collect. In terms of how do you apply for benefits? Well, social security's online retirement application is the way to go for me, simple, easy, convenient.

Kurt Czarnowski ([01:16:22](#)):

You can do it from the comfort and convenience of your own home, stopping and starting whenever you'd like wearing your pink footie pajamas for all anybody knows, at any time of day or night. But if you're not at all internet literate or internet comfortable, you can call social security and make an appointment for someone to conduct what is called a tele-claim where they'll call you at the appointed hour and complete the application with you over the phone. Now, right now, social security local offices are closed to the public because of the pandemic, but eventually they will reopen. I certainly hope they will. And at that point, you'd be able to call and make an appointment for in-person service. But right now, if you want to have assistance from social security, it's going to be over the telephone. And the way to do that is by calling that 800 number, 1-800-772-1213, setting up an appointment for them to call you at the scheduled time and complete the application with you over the phone.

Kurt Czarnowski ([01:17:24](#)):

But again, to me, filing online is the way to go. But as a reminder, in order to apply online, you do need to have a social security, a my social security accounts set up for yourself. So another reason why you ought to be taking the steps, have that in place right now, not only ability to get that social security statement, but down the road, you want to start to collect, you can apply online with that account already in place. Just a reminder, social security benefits go out one month in arrears. So if you decide you want to start collecting effective with the month of January, that means you will receive your first social security payment in the month of February. Benefits go up one month in arrears.

Kurt Czarnowski ([01:18:06](#)):

Now back in the day, social security used to pay everybody on the third day of the month. But for the past 23 years, social security payments are staggered throughout the month based on somebody's date

of birth. Anyone whose date of birth falls between the first and the 10th of the month, always paid on the second Wednesday of the month. Benefit direct deposited on the second Wednesday. If your birth date falls between the 11th and the end of the month, direct deposited into your bank account on the third Wednesday of the month. And if your birth date falls between the 21st and the end of the month in which you were born, benefit direct deposited on the fourth Wednesday of the month, again, second, third or fourth Wednesday of the month, regardless of the date. But payments go out one month in a rear. So something to plan for it.

Kurt Czarnowski ([01:18:52](#)):

So you're going to retire December 31st, start to collect social security benefits effective with the month of January. If your birth date's say, for example, is the 28th of the month, you're going to see that first social security payment on the fourth Wednesday of February. So just something we need to plan for. Quick reminder about social security. It's akin to a defined benefit pension. You can not outlive your social security benefit payments, but in addition to that, social security provides an annual guaranteed cost of living adjustment. How does that cost of living adjustment get figured? Well, the statute says social security in determining the COLA will look to a measure called the consumer price index for urban wage earners and clerical workers, the CPIW. It's a measure of inflation tracked by the Federal Bureau of labor statistics, tracks inflation in a market basket of goods and services.

Kurt Czarnowski ([01:19:48](#)):

The period that social security looks at is a comparison of the third quarter of one calendar year to the third quarter of the following calendar year. And whatever increases occurred in the CPIW during that 12 month period, that's what gets passed on to social security beneficiaries. So earlier this month, social security announced that because the CPIW had increased by 1.3% from the third quarter of 2019 to the third quarter of 2020, then the social security beneficiaries will receive a 1.3% cost of living adjustment in social security payments that show up in their bank accounts in the month of January.

Kurt Czarnowski ([01:20:29](#)):

Great thing about the annual COLA is it isn't dependent on a separate vote on the part of Congress every year. It's guaranteed based on the increase in the CPIW. Now a lot of discussion about whether or not that CPIW is the appropriate measure to use, and that's the discussion that's going on. The good news to me anyway, is there's no discussion at all about eliminating that annual COLA because it's so important in maintaining the purchasing power of the benefits you have, especially if you're going to be living 20, 25, 30 years in retirement, don't have some-

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Kurt Czarnowski ([01:21:03](#)):

... 25, 30 years in retirement, if they don't have some inflation measure built in purchasing power of your income falls off a cliff. But the discussion tends to be whether or not that CPI was the appropriate measure and unless, and until Congress changes the law in the words of the great philosopher, Bill Belichick, "It is what it is." And it gets announced each October, shows up in payments in January.

Kurt Czarnowski ([01:21:26](#)):

I want to spend a couple of seconds just talking briefly about two provisions of the program that impact people who receive a public pension, which is based on work not covered under the social security

program. The two provisions, one is called the windfall elimination provision. The other is called government pension offset. The windfall provision, that impacts you if you get that public pension, but in addition to your public sector time have worked at least 10 years under the social security program and have earned a benefit on your own.

Kurt Czarnowski ([01:21:59](#)):

The great news is with the windfall provision. As long as you've got those 10 years of time under the system, you will absolutely positively get something each and every month from social security even if you get that public pension. Huge area of misunderstanding. A lot of people mistakenly think as they get that non-covered pension, they're not going to get anything from social security. No. The good news is you'll always get something. The bad news is in all likelihood because of that public pension, you won't get as much as you would if you didn't have that public pension. Because of the windfall provision social is required to use a different and admittedly less generous formula to calculate the amount of your benefit, but you'll always get something.

Kurt Czarnowski ([01:22:39](#)):

Why does the windfall exist? Well, because as we said, social security benefit formula is largely a progressive one designed to help people in lower paying jobs by providing a benefit amount intended to replace a higher percentage of their pre-retirement income and prior to the enactment of the WEP in 1983, Congress recognized that social security in calculating somebody's benefit would have only in front of it the earnings that had been subject to social security tax and any earnings that had been earned in a job outside of social security, wouldn't be reflected.

Kurt Czarnowski ([01:23:12](#)):

So at first blush, somebody comes in, social security, looks at the earnings history and says, "Oh, this must be a long time lowered wage earner because they don't have much time earnings under social security. We need to give them the benefit of this weighted progressive benefit formula." Will Congress recognize social security is operating on incomplete information that if they had both covered and non-covered wage information, person probably wouldn't be given the full benefit of this weighted formula. So the different formula in the windfall provision designed to smooth out some of the weighting, but Congress also recognized there may be cases where somebody's earnings history is truly reflective of their work status over their lifetime.

Kurt Czarnowski ([01:23:52](#)):

And an exception is if you have at least 30 or more years of substantial earnings under the social security program, then you get a full, normal, regular benefit from social security even though you get that non-covered pension. In fact, if you have more than 20 years of time where you've worked and paid into the program you get ever closer to a full normal, regular social security benefit.

Kurt Czarnowski ([01:24:16](#)):

Key thing though, is what triggers the application of the windfall provision is receipt of the pension. So you're still working in your public sector job. You haven't retired as a teacher here in Massachusetts for example. Don't forget at full retirement age, that earnings limitation no longer applies. So you could at your full retirement age, continue to work, be paid, whatever salary you're receiving, but because you had not yet retired, receive that full normal social security benefit. And only when you retire and start to

draw your pension, does the windfall provision kick in and your benefit needs to be recomputed downward at that point.

Kurt Czarnowski ([01:24:56](#)):

But the windfall provision, the great news is you're always going to get something, but with fewer than 30 years of time under the social security program, you won't get as much as you would have if you didn't have that public pension. Government pension offset. Well, this applies now if you're getting that public non-covered pension, but instead of looking to collect based on your own work record, you're looking to collect based on the work and earnings of your spouse and here the news is not as good. That basically because of government pension offset, social security's required to reduce any type of spousal, divorce spousal, or survivor benefit you might be receiving by two thirds of the amount of your pension. So if two thirds of your pension is higher than the spousal portion that you might be able to receive, well you're not going to get it.

Kurt Czarnowski ([01:25:48](#)):

If two thirds of your pension is less, well you'll get the difference. And why does government pension offset exist? Well, simple. We talked about it. Whether it's spousal benefits, survivor benefits, you collect on one account to the other at a time. You don't get both at once prior to the enactment of government pension offset in 1977, Congress saw that people in these public sector pension rules would be treated better if you will, than someone whose work activity was under social security, because they can collect both their full pension and the full spousal or survivor benefit. Whereas if they had worked under social security, they collect on one or the other, not both at once.

Kurt Czarnowski ([01:26:26](#)):

So government pension offset generally, or always two thirds of your pension is more than what you could collect in spousal benefits. You don't get anything more, but you always do get your own social security benefit. As long as you've got 10 years of work, 40 credits, even if you have that public pension and what triggers government pension offset, it's receded the pension, just like with the windfall. So you're still working at full retirement age, you can collect any type of spousal or survivor or divorced spousal benefit you might be eligible for. And only when you retire and start to draw your pension, does government pension offset kick in.

Kurt Czarnowski ([01:27:09](#)):

So what about the future of the program? Get that question all the time. I always like to answer it by referring to comments by Mark Twain, who once said "Reports of my demise are greatly exaggerated." I think reports of social security's demise are greatly exaggerated as well. A lot of terrible tales out there about gloom and doom. Facts are these, each year social security is board of trustees, issues a financial report on the health of the system, in which they intend to project not or not just provide current status, but project 75 years into the future. Current report came out this past April says as currently constituted social security stands, ready, willing, and able to pay a hundred percent of promised benefits each and every month between now and the end of the year, 2034. But beginning at that point, absent subtype of action on the part of Congress, social security won't be able to pay a hundred percent of the benefits that have been promised.

Kurt Czarnowski ([01:28:04](#)):

But current projection is they will have enough money to pay 79% of the promised benefits and that's a key point. Social security is primary source of income payroll tax dollars from workers, employers, and people who are self-employed. So as long as the economy is functioning in some form or fashion, social security will always have a revenue stream of some sort. The issue is looking down the road is that revenue stream thought to be enough to cover all of the benefits that have been promise and absence of action on the part of Congress, beginning in the year 2035, it won't be enough, but it will be enough to cover again, 79% of the benefits that have been promised. So the issue confronting Congress is how, between now and the end of the year 2034, do they come up with some changes that closed not a hundred percent funding gap, but closes 21% funding gap and the issue, if you think about it with social security, it's money coming in, it's money going out. So the situation with social security, not altogether different from your own situation at home. If at the end of the month, you don't have enough money to cover all your bills you either got to bring more money in or pay a little bit less money out. With social security you close that 21% gap simply by bringing more money in. Who are you impacting? Well younger folks, employers, self-employed people. You close the gap simply by cutting benefits. Who are you impacting? Well, old folks like me, so I think at the end of the day, if Congress ever gets around to dealing with the issue they'll come up with a solution. It reflects a blend of some income increases and some slowdowns on the outflow side, so that nobody feels they're being singled out for disparate treatment. And why does social security face this and I characterize it as a challenge.

Kurt Czarnowski ([01:29:47](#)):

Well, largely demographics. It's a fact that baby boom generation is hit, more people collecting. Life expectancy is increasing, so people are collecting for a longer period of time and the fact that the baby boom generation followed by the baby bust generation, which is critical because social security really is a pay as you go system it's the tax dollars collected from today's workers and their employers that are used to pay the benefits. Right now, you've got about three, a little under three people working to support each person collecting. By the year 2035 that's thought to drop down to two to one. Fewer people working, paying into the system, so Congress does need to come up with some changes to close that gap so that people can continue to count on the social security benefits they've been received.

Kurt Czarnowski ([01:30:36](#)):

But again, I don't characterize it as a program in crisis. It faces some challenges, but I think they're manageable challenges. The secret is getting Congress to agree to deal with the issue and which seems to be a difficult challenge these days, because Congress can't even agree on what day of the week it is. All right, like Lady Godiva. I must come to my close. Come on. That's funny. I always like to end where I started. Key message from me. You heard it repeated throughout the program, the payment from social security designed to be that base, that foundation, you can count on it being there. I absolutely firmly believe that, but never intend it to be your only source of income and the sooner you recognize that, work can find ways to move from what social security provides to where you need and want to be, the more likely you are to have that comfortable retirement we all hope to enjoy.

Kurt Czarnowski ([01:31:26](#)):

So I thank you for your time. It's about 7:30, but it'd be happy if people have questions to answer any that might want to come in. John, I'll turn it back to you or Kristen, how do you want to handle these?

Kristen ([01:31:43](#)):

We did have a couple of questions come in.

Kurt Czarnowski ([01:31:44](#)):

Anyone, anyone? Bueller? Bueller? Bueller?

Kristen ([01:31:48](#)):

Yeah. Can you hear me?

Kurt Czarnowski ([01:31:49](#)):

I can.

Jon ([01:31:49](#)):

Yeah, Kristen, go ahead.

Kristen ([01:31:51](#)):

We did have a couple of questions come in. What happens if you take your non-covered pension as a lump sum?

Kurt Czarnowski ([01:32:00](#)):

That's a great question. And the key is, did you vest in the pension system? Did you meet the age and length of service requirements to entitle you to a pension? And if you did then taking your non-covered pension in a lump sum will not circumvent either the windfall provision or government pension offset.

Kurt Czarnowski ([01:32:24](#)):

And what social security will do in that case is contact the pension paying entity, ask them, "All right, if this person had opted for monthly payouts, what would the equivalent have been?" If the pension entity doesn't provide that well social security uses its own actuarial tables to determine a monthly amount that that lump sum would represent. But distinguish that though, from a situation where somebody's never vests in the pension system.

Kurt Czarnowski ([01:32:55](#)):

So here in Massachusetts, you need to be a teacher for 10 years to vest in the teacher's retirement system. So you've got a situation where somebody works for eight years, then leaves teaching and simply withdraws his or her own contributions. Situation like that, getting a lump sum repayment of someone's own contributions prior to vesting in the pension system that doesn't trigger the windfall provision or government pension offset. But if you meet the age and length of service requirements, then taking your money out in a lump sum does not circumvent the windfall provision and government pension offset. And if the pension entity won't tell or give social security a monthly equivalent of that lump sum, they'll figure one out on their own. Good question though. It comes up a lot.

Kristen ([01:33:47](#)):

Okay. Next question is, what if social security made mistakes? How can you know if all of this is correct? And if you believe there's an error, how can you prove it?

Kurt Czarnowski ([01:34:00](#)):

Sure. So I think the big area where errors may occur is in somebody's earnings history that you're working and your earnings are improperly reported to social security. Your employer may mistype a social security number on your W2 or something like that, so that's why it's really important first and foremost, to if you're under the age of 60 set up an individual social security account for yourself and periodically download a social security statement and review the earnings history as social security has it.

Kurt Czarnowski ([01:34:40](#)):

And if you discover that a mistake has occurred, you simply need to take information about what the proper amount of earnings was to social security and they can make that change. So something happens and your earnings for particular year, haven't been reported, bring in your W2, your tax return and social security can make that change and credit you with a proper amount of earnings.

Kurt Czarnowski ([01:35:05](#)):

There are other steps that social security can go through contacting the employer and things like that. But basically there does need to be some type documentation as to what the proper level of earnings was. Now important to note that there is no statute of limitations on how far back social security will go to correct a wage error that may have occurred at some point in the past. But I always say, stay on top of the issue, get a current social security statement on a regular basis because it's far more likely the closer you are to discovering the mistake, the far more likely it is that you've got proof on hand of what the proper amount of earnings were.

Kurt Czarnowski ([01:35:45](#)):

So you discover a mistake occurred back in 1978. Well, if you've got proof of what the proper amount earnings was, social security will make that change for you once you present that proof, but what's the likelihood of still having your W2 from 1978 or in the past. So it's less likely you'll be able to get documentation as to what the proper amount of earnings were, but as long as you have proof, social security will correct a wage reporting error no matter how far back in the past that occurred.

Kurt Czarnowski ([01:36:15](#)):

In terms of... So once the earnings record is correct and accurately reflects what your proper amount of earnings has been, then it's really formula-driven. Social security just spits out a benefit based on the input coming in. So as long as the input in terms of annual wage totals is accurate, the benefit amount coming out is going to be correct. I see the big area of where you might have mistakes and an improper amount being paid as if there were errors in reporting the correct amount of earnings for somebody, but you get those 35 high years reported correctly, the computer's going to spit out the right benefit amount based on the formula.

Kristen ([01:37:02](#)):

All right, our last question. If I continue to work past full retirement age, when I'm collecting a benefit and my income is higher than one of my prior years, so I know my pension is increased does it also increase the spousal benefit my wife receives?

Kurt Czarnowski ([01:37:23](#)):

Great question. And the answer is going to be yes, because again, what social security calculates for everyone is their full retirement age benefit amount. It's based on an average of that person's high 35 years of work under the system. So it's as your high 35 changes, additional years of higher earnings will result in social security, recalculating that full retirement age amount. Now, if you collect early that full retirement age amount, that's what gets reduced by that roughly half a percent. You opt to defer it's that full retirement age amount that then gets increased by that two thirds percent, 8% per year. But because the spousal portion is based on 50% of the full retirement age amount as that full retirement age amount gets recomputed upward, the spousal benefit going to be recomputed and increased as well. So good question. Yep. Work never hurts. Again, increase your own benefit will increase the spousal benefit because it's based on 50% of the full retirement age amount, which is the basis for all calculations, computations and benefit payments.

Kristen ([01:38:41](#)):

All right. Really last question.

Kurt Czarnowski ([01:38:44](#)):

Oh, sure. You said that before.

Kristen ([01:38:47](#)):

Last questions. So I worked 15 years towards social security and 15 years as a math teacher. Will I only get one third of my social security benefit at age 70?

Kurt Czarnowski ([01:39:03](#)):

So as a math teacher, assuming a situation where you weren't paying into the social security program. I'm going to answer it that way. So because you've got at least 10 years of time under the social security program, you're always going to get something each and every month from social security, you meet that 10 year 40 credit, 40 quarter of coverage threshold always entitles you to something. Then the next question obviously becomes, well, how much is that something going to be? And it's always going to be based on an average of your 35 highest years of work under the social security program. In this case where you've only got 15 years where you worked and paid into social security, your benefit will average 15 years of actual earnings and then 20 years of zero years. So it will lower your average wage and lower your social security benefit because you don't have 35 years, but you're never going to be reduced to zero.

Kurt Czarnowski ([01:40:03](#)):

Then if you get your social, your non-covered pension as a math teacher, then the windfall provision comes into play we'll reduce that benefit even further, but you're never going to be reduced to zero and you'll always get whatever full teacher's pension you're going to be entitled to. Often get asked the question, "Hey, I'm a little bit short on my credits? Should I get the additional credits? To me anyway, if you're close, always make sense to get that additional amount of work under the program to get you over the threshold. Because even if you only get a couple of hundred bucks a month, if you've signed up for Medicare, Medicare, part B the premium this year, the base premium \$144 and 60 cents, you get a couple hundred bucks each month from social security that will cover your Medicare premium.

Kurt Czarnowski ([01:40:54](#)):

So I always think it's worth it to at least always get your 40 credits, 40 quarters of coverage interchangeable terms, because that will always entitle you to something. And even if it's a small amount that something may be enough to cover your Medicare premium. So you're basically getting Medicare at no additional cost.

Jon ([01:41:14](#)):

Hey, Kurt, who can people turn to when they're having difficulty dealing with social security? Like if they go in and want to suspend their benefit or withdraw their application and have something [inaudible 01:41:29] in the process.

Kurt Czarnowski ([01:41:29](#)):

Yep, yeah, so basically it's a little harder these days, because local offices aren't open to members of the public, but there are working to be able to conduct that type of business over the telephone. So you can call that 800 number. You want to suspend your benefits, all it takes is a phone call. You don't need to even submit anything in writing. At your verbal request they'll suspend your benefits. If you want to withdraw your application the form you complete is a 521 form. You can download it off the social security website and, and mail it into your local office and they can process it there.

Kurt Czarnowski ([01:42:12](#)):

But the question I often get is, "Well, what if I think I'm getting the wrong answer from the person I'm talking to?" And the answer I always give is, "Well, you know, it's a hierarchical organization in local offices and just like with any retail or commercial establishment, if you're not satisfied with the service you're getting kick it up the food chain," and in social security, the first level, it's to speak to a supervisor. If you're talking to somebody and you don't think they're helping you or not providing correct information, first step is I think, keep it in the office and just ask to speak to a supervisor. Don't do it in a malicious or threatening way, but just kick it up the food chain the same way you'd kick it up the food chain if you get a bad burger at McDonald's.

Jon ([01:42:58](#)):

And how are the social security offices organized? Is it regionally?

Kurt Czarnowski ([01:43:04](#)):

So basically on the social... So each social security office serves a geographic area, but you can find out what your local social security office is by going to the social security website, social security.gov and there is a field office locator on there where you type in your zip code, and it will tell you the location, address and phone number for the local social security offices, the social security office that services your town or city. So field office locator on the social security website, type in your zip code, and it'll spit back information, address, directions, phone number, all of that stuff so you know which office is there to serve you.

Jon ([01:43:58](#)):

Okay. Thank you. Kurt. Last question. Do former social security office workers get extra benefits?

Kurt Czarnowski ([01:44:08](#)):

Do former social security office workers get extra benefits? In what way? Do you know?

Jon ([01:44:15](#)):

I'm saying it, do you get higher benefits than everyone else because you worked for social security?

Kurt Czarnowski ([01:44:20](#)):

Oh. No. Basically if you're a social security administration employee, you work for the federal government and you're entitled to any federal employee hired since 1985 is paying into the social security program and get social security benefits based on that work activity. They also are covered under a federal employee retirement system. They get a small defined benefit pension in addition to their social security payment. But yeah, social security employees they're covered under paying into the social security program, no different than other people in the commercial workforce.

Jon ([01:45:02](#)):

That was a joke.

Kurt Czarnowski ([01:45:04](#)):

They pay into the Medicare system, become eligible for Medicare at 65, don't have any special treatment that... They get eligible for full social security benefit at full retirement age, reduced benefits as early as 62, yada yada, yada. You are treated no differently than anyone else covered under the system.

Jon ([01:45:22](#)):

I was just kidding around with you, Kurt. You made so many jokes during the presentation than I thought I would throw one in there.

Kurt Czarnowski ([01:45:26](#)):

Thank you. Thank you. Well, I was taking it personally.

Jon ([01:45:30](#)):

Well, Kurt, thank you so much. Kristen, are any other questions?

Kristen ([01:45:34](#)):

No, that's it.

Jon ([01:45:36](#)):

Kurt, thank you-

Kurt Czarnowski ([01:45:38](#)):

We stupefied them.

Jon ([01:45:39](#)):

Yeah. An hour and 45 minutes. There was some great, great content there. And I think everybody that attended learned a great deal and so Kurt, thank you so much for your time tonight.

Kurt Czarnowski ([01:45:49](#)):

This transcript was exported on Nov 06, 2020 - view latest version [here](#).

Sure. And just a reminder folks who were still on, if questions occur to you afterwards, get them in to John or Kristen and get them to me and I'm happy to answer questions that may come in late. Not an issue.

Jon ([01:46:01](#)):

And we'll be sending this slideshow around to all participants with contact information, for additional questions. Kristen, is that it?

Kristen ([01:46:15](#)):

That's a wrap. I will close the webinar. Thank you everybody.

Kurt Czarnowski ([01:46:20](#)):

Thanks everybody. Take care, stay safe, wear a mask.

Jon ([01:46:24](#)):

All right. Thank you, Kurt.

Kurt Czarnowski ([01:46:25](#)):

Alrighty. Good night everyone. Stay safe.

Kristen ([01:46:27](#)):

Good night.

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