

TRSL and Social Security Benefits

How to learn about your projected Social Security benefits

Social Security benefits may be a major source of retirement income for you. But how can you plan well for retirement if you don't know how much you might receive from Social Security?

You can find out your projected Social Security benefits simply by filing a *Request for Earnings and Benefits Estimate Statement* (Form SSA-7004) with the Social Security Administration. To obtain this form, visit your local Social Security office or call 1-800-772-1213. For more information, you can also visit the Social Security Administration's website at www.ssa.gov.

You will then receive an *Earnings and Benefits Statement* that includes your estimated Social Security benefits. The statement reports your earnings since 1951, which are the basis for your projected Social Security benefits. The statement also tells you what your disability benefits under Social Security would be if you were to become disabled.

To confirm that your earnings have been accurately reported during your working career, the Social Security Administration recommends that you file a *Request for Earnings and Benefits Statement* every three years.

In October 1999, the Social Security Administration began mailing annual statements of future benefits to everyone over age 25.

Three months before your birthday, you should receive a statement from Social Security telling you how much your Social Security benefit is expected to be, if you are eligible.

For younger workers, the statement also tells how much Social Security would pay your survivors if you died before retirement age.

Social Security reductions if you receive a TRSL retirement benefit

If you receive a retirement benefit from TRSL and you are also eligible for Social Security benefits, your Social Security benefit may be reduced according to federal regulations. **Your TRSL benefit will not be reduced.**

It is TRSL's understanding that if a refund of contributions is taken after you become vested for a TRSL benefit, the Social Security reductions described below may apply. However, the reduction may be minimal.

You should contact Social Security for more information about their benefit provisions.

There are two types of Social Security benefits: a spouse's or widow(er)'s benefit and an earned benefit.

- ◆ A spouse's or widow(er)'s benefit is paid to spouses or surviving spouses of Social Security pensioners if those spouses did not work long enough under Social Security to have earned their own benefit or the spouse's earned benefit is less than the pensioner's benefit. The spouse's benefit is generally one-half of the benefit paid to the Social Security pensioner.
- ◆ An earned benefit is paid to people who worked at other jobs where they paid Social Security taxes long enough to earn a Social Security benefit.

The type of Social Security benefit you receive determines the formula used to calculate the reduction to your Social Security benefit. The Government Pension Offset is used for a spouse's or widow(er)'s benefit, and the Windfall Elimination Provision is used for an earned benefit.

Government Pension Offset: reduction for spouse's or widow(er)'s benefit

Normally, when your spouse retires on Social Security, you are eligible for 51 percent of your spouse's benefit if you are at least age 62. However, since you are eligible for a benefit from TRSL, you may be subject to the Government Pension Offset (GPO). You will *not* have a reduction in your benefit from Social Security, if you meet one of the following conditions:

- ◆ You were eligible to retire on or before November 30, 1982, and you meet all the requirements for a Social Security spouse's benefit in effect in January 1977. (A divorced woman's marriage must have lasted at least 20 years, and a husband or widower must have received one-half of his support from his wife.); or
- ◆ You were eligible to retire before July 1, 1983, and were receiving one-half of your support from your spouse; or
- ◆ You withdrew all contributions from TRSL (at any time).

To request a letter verifying your earliest TRSL retirement date, call us at 225-925-6446 or toll free (outside Baton Rouge area) at 1-877-ASK-TRSL (1-877-275-8775) or send an e-mail to web.master@trsl.org.

If you don't meet one of the exceptions listed above, the Government Pension Offset formula will reduce your Social Security spouse's or

widow(er)'s benefit by two-thirds of your TRSL benefit. In some cases this offset could entirely eliminate your Social Security benefit.

For example, suppose that you are retired and receive a TRSL benefit of \$800 per month. Your spouse retires and will receive a Social Security benefit of \$850 per month. You would be eligible for 51 percent of your spouse's Social Security benefit of \$850, which amounts to \$433.50 per month.

The offset is calculated by multiplying \$800 (the amount of your TRSL benefit) by two-thirds, which equals \$533.33. Your Social Security benefit would be \$433.50, but two-thirds of your retirement benefit is \$533.33.

Since the offset of \$533.33 is more than the Social Security benefit of \$433.50, **you would receive no spousal benefit** from Social Security.

Windfall Elimination Provision: reduction for earned benefit

If you receive a TRSL retirement benefit, a modified benefit formula, known as the Windfall Elimination Provision (WEP), is usually used to reduce your own Social Security earned benefit.

The WEP was gradually implemented beginning in 1986 and is now in full effect when you reach age 62 or become disabled.

The WEP does not apply in the following situations:

- ◆ You were age 62 or disabled before 1986; or
- ◆ You qualified for a TRSL retirement benefit (including a reduced benefit) before 1986, even if you continued to work beyond 1986 (excludes LSA-R.S. 11:272[D], as amended by Act 132 of 1995). (You can call TRSL at 225-925-6446 or toll free (outside Baton Rouge area) at 1-877-ASK-TRSL (1-877-275-8775) or send an e-mail

to web.master@trsl.org to request a letter verifying your earliest retirement date); or

- ◆ You have at least 30 years of "substantial" earnings in a job where you paid Social Security taxes.

The WEP formula is complex, so we recommend that you contact the Social Security Administration for explanations of possible reductions. You can call toll free at 1-800-772-1213 or visit their website at www.ssa.gov.

When you receive an estimate of your Social Security benefit, the amount probably will not have been reduced by either the GPO or WEP. You should specifically ask Social Security to calculate the reduction for you.



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