

**Handout for 11/06/08
CR/CA IVT Ready Retirement Broadcast**

MOE Option Coding and Definitions

Effective 11/08/08

GN 00204.040

<p>Use Option A* if...</p> <ul style="list-style-type: none"> • claimant is working and elects reduced benefits, OR • claimant is working, elects reduced benefits, and will stop work after the date of filing. (i.e. when claimant may be due SOME benefits for the year.) <p>*Option A is conditional and actual MOE will be determined after claimant's earnings for year of filing are verified.</p>	<p>Do NOT use Option A if...</p> <ul style="list-style-type: none"> • claimant is NOT working, OR • RIB LIM is involved, OR • claimant is FRA or over.
<p>Use Option B* if...</p> <ul style="list-style-type: none"> • claimant is working and wants benefits effective with FRA or later, OR • claimant is working, and will accept a partial payment before FRA as long as there is no ongoing reduction in benefit amount. <p>*Option B is conditional and actual MOE will be determined after claimant's earnings for the year of filing are verified.</p>	<p>Do NOT use Option B if...</p> <ul style="list-style-type: none"> • claimant is NOT working, OR • RIB LIM is involved, OR • claimant will accept reduced benefits.
<p>Use Option C* if...</p> <ul style="list-style-type: none"> • claimant is <u>under</u> FRA and not working, OR • claimant is <u>under</u> FRA, may be working or not, but chooses a specific MOE, OR • RIB/LIM is involved. <p>*Option C is NOT conditional and earnings enforcement will not automatically adjust the MOE.</p>	<p>Do NOT use Option C if...</p> <ul style="list-style-type: none"> • claimant is FRA or over, OR • claimant is under FRA, working, and wants a conditional MOE.
<p>Use Option D if...</p> <ul style="list-style-type: none"> • claimant is FRA or over, OR • claimant is eligible for a benefit category not subject to age reduction and elects full retroactivity. <p>Remember, when the claimant is FRA or over, whether they elect retroactivity or want DRCs, the CR must use Option D and enter the claimant's chosen month.</p>	<p>Do NOT use Option D if...</p> <ul style="list-style-type: none"> • claimant is under FRA.
<p>Option E has not changed. Use Option E if...</p> <ul style="list-style-type: none"> • claimant is an auxiliary spouse, AND • age 61 years and 9 months or older, AND • has a child in care, AND • has same date of entitlement as NH, AND • filing on a DIB claim not yet on MBR. 	<p>Option E has not changed.</p>

Social Security's New Financial Literacy Policy

The decision to receive Social Security benefits is a highly personal one, and everyone has unique circumstances to consider in deciding when is best for them. Some variables that individuals should consider are:

- Financial needs now vs. later,
- Life expectancy,
- Health insurance needs,
- Future work plans,
- Benefits for a spouse and children,
- Effect of Retirement Insurance Benefit Limitation (RIB/LIM) and Delayed Retirement Credits (DRCs) on widow(er)'s benefits, and
- Personal savings and other income sources.

The **claimant** will choose the month of election that best suits his or her own financial circumstances.

Policy effective 11/08/08 states we will not attempt to persuade claimants about their month of election decisions. SSA will discontinue the use of breakeven points and the 8 and 20 year rules to determine if a claimant is making an "advantageous or disadvantageous" decision. The requirement to document the claim about the claimant's choice has also been eliminated. SSA will maintain a neutral position in the month of election process.

There is no "right" answer that applies to everyone.

Because we want to make sure the claimant has all the information needed to make his choice, be sure to discuss the following information with them:

- Their benefit amounts for age 62, FRA, age 70 and any other month requested,
- An explanation of DRCs and how DRCs could affect them,
- Any multiple entitlement possibilities,
- Annual earnings test information,
- Possible adjustments in their reduction factor or ARFs, as well as recomputation information,
- RIB/LIM considerations,
- Medicare, and
- The effect of any SSI involvement.

NOTE: It is not required that you provide this information if the claimant has already made a decision on when to begin receiving benefits.