PacificCPE

COURSE
82251A

# Social Security Fundamentals and Retirement Benefits

Understanding Social Security starts with knowing how the system works. This course introduces the foundational rules governing Social Security, including eligibility, earnings credits, and how veterans may qualify for additional credits. From there, it moves into retirement benefits—covering how benefits are calculated, when workers become eligible, and the factors that affect payment amounts. CPAs and tax professionals who advise clients approaching retirement or planning for long-term financial security will find this a practical starting point for Social Security guidance.

CREDIT HOURS 2 | FIELD OF STUDY BUSINESS | EXAM QUESTIONS 8

Start Course ↓ | Final Exam Copy ↓

## LEARNING ASSIGNMENTS AND OBJECTIVES

## Assignment

- Study the full course materials included here.
- Complete the review questions after each chapter.
- Answer 8 final exam questions.
- Final exam is scored immediately, 70% or better passes.
- Certificate of completion is available in your account.
- Failed exams can be retaken free of charge.

## Course Objectives

- Identify ways to save Social Security.
- Identify the eligibility requirements for retirement benefits.
-

## Copyright Notice

© 2026 Pacific CPE, LP. All rights reserved.

The materials in this course — including the text, illustrations, exhibits, examples, exam questions, and review questions — are the copyrighted property of Pacific CPE, LP. No portion of this course may be reproduced, stored in a retrieval system, distributed, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording, or otherwise) without the prior written permission of Pacific CPE, LP, except for the personal, non-commercial use of the registered learner.

Pacific CPE, LP grants the registered learner a single-seat, non-transferable license to access this course for the purpose of completing the associated continuing professional education credit. Account credentials may not be shared. Group access requires a separate enterprise license.

This course is provided "as is" for educational purposes. While Pacific CPE, LP makes a reasonable effort to ensure the content is current and accurate, the materials should not be relied upon as a substitute for professional advice. Pacific CPE, LP disclaims all liability for any error, omission, or loss arising from the use of, or reliance on, the course content.

Questions about reproduction, licensing, or use of these materials should be directed to support@pacificcpe.com.

Publication Date: March 2026

## TABLE OF CONTENTS


CHAPTER 00

**Introduction: Your Social Security, Medicare And Government Pensions Companion** ..... 4

CHAPTER 01

**Social Security – The Basics** ..... 10

1.01 History Of Social Security ..... 10

1.02 Social Security Defined ..... 13

1.03 Earning Work Credits ..... 18

1.04 Determining Your Benefit Amount ..... 20

1.05 U.S. Citizens' Rights To Receive Benefits While Living Abroad ..... 24

1.06 Receiving Benefits As A Noncitizen ..... 24

Test Your Knowledge ..... 26

CHAPTER 02

**Social Security Retirement Benefits** ..... 28

2.01 Work Credits Required ..... 29

2.02 Timing Your Retirement Benefits Claim ..... 30

2.03 The Amount Of Your Retirement Check ..... 34

2.04 Working After Claiming Early Retirement Benefits ..... 35

Test Your Knowledge ..... 39

**Final Exam Copy** ..... 45

**Glossary** ..... 42

**Index** .....

# INTRODUCTION: YOUR SOCIAL SECURITY, MEDICARE AND GOVERNMENT PENSIONS COMPANION

Are you approaching retirement, or are you disabled? Do you help support someone who is?

If so, you'll want to get the most retirement and pension income you're entitled to and obtain the broadest medical coverage you can afford. People in their retirement years have access to a wide variety of programs to help with financial support and medical care. But many people are unaware of exactly what those programs are or how they work, and so do not receive all the benefits they could.

This course is intended to help you get all the benefits to which you're entitled: Social Security (both retirement- and disability-based benefits, including for dependents and survivors), Supplemental Security Income, veterans benefits, and civil service benefits.

With regard to medical care, almost everyone is aware that Medicare is available to many people, but few people understand exactly how it works and what it does and does not cover. This course carefully, in plain language, explains Medicare rules and regulations. It also explains how the holes in Medicare can be filled by medigap private insurance, Medicare Advantage health plans, Medicaid (for people with low income), and veterans benefits.

*Tip*

**You have earned these benefits.** A key word in this course is "entitled." Almost all of the benefits discussed here are paid to you because you worked for them, paying contributions into the system through out your working life. If you're an older American facing retirement and a fixed income, these programs provide crucial support. And you are entitled to it.

Depending on your age and stage of life, there are a number of major issues you should consider as you read through the book.

**If You Are 60 to 62 and Not Yet Retired**

- Find out how soon (at what age) you'll become eligible for Social Security retirement, dependents, or survivors benefits. (See "Timing Your Retirement Benefits Claim" in Chapter 2.)
- Learn how much your Social Security retirement benefits will be reduced if you retire early or increased if you retire later. (See "Timing Your Retirement Benefits Claim" and "The Amount of Your Retirement Check" in Chapter 2.)

- Explore when would be the best time to claim your benefits and which benefits to claim. (See Chapter 1 of course 82253A.)
- Find out how much income you can earn without affecting your Social Security benefits if you claim them before full retirement age. (See "Working After Claiming Early Retirement Benefits" in Chapter 2.)
- See whether you can claim civil service retirement benefits if you have ever worked for the federal, state, or local government or any public agency or institution—such as a school system, library, or public health facility. (See Chapter 2 of course 82254A.)
- Check the rules of your private pension plan—if you worked for a company that had a pension plan or if you belonged to any union—including whether your pension will be affected by your Social Security benefits. (Private pension plans themselves are outside the scope of this course.)

### *This Book Provides Ongoing Help to Caregivers*

People in their 60s must make initial decisions about Social Security, Medicare, and other benefit programs. But over the years, people also have to make new decisions concerning how they receive their Medicare coverage, choose medigap insurance or prescription drug plans, qualify for long-term care insurance benefits, and determine eligibility for Medicaid and other programs for people with low incomes. This course also serves as a guide for caregivers, such as adult children, who might not have been involved in original choices about these matters, but who now must help loved ones make ongoing decisions over time.

**If You Are Within Six Months of Your 65th Birthday**

- If you haven't already claimed retirement benefits, obtain a current estimate of the benefits you could receive from Social Security, your civil service retirement system, the private pension plan of any company where you've worked for at least three years, and the Department of Veterans Affairs, if you're a veteran. (See Chapter 2 of course 82254A, Chapter 1 of course 82252A of course 82254A.)
- Be ready to claim your Medicare coverage as soon as you become eligible, if you choose to claim benefits at that time. (See Chapter 1 of course 82255A.)
- Look into ways to supplement your Medicare coverage, including medigap insurance, a Medicare Advantage plan, or a Medicare drug coverage plan. (See Chapter 1 of course 82255A, Chapter 1 of course 82257A, Chapter 2 of course 82257A.)
- If you have low income and few assets other than your home, check into your eligibility to receive assistance with medical bills from Medicaid. (See Chapter 3 of course 82257A.)

**If You Are 65 or Older**

- If you have a low income and few assets, see whether you can get financial assistance from the Supplemental Security Income (SSI) program. (See Chapter 2 of course 82253A.)
- Sign up for Medicare, after reading about Medicare rules as well as those of a Medicare Advantage or a medigap insurance plan that fills in holes in Medicare coverage. (See Chapter 1 of course 82256A, Chapter 1 of course 82257A, Chapter 2 of course 82257A, Chapter 1 of course 82252A of course 82257A.)
- If you have low income and few assets other than your home, see whether you're eligible for Medicaid or for Extra Help for prescription drugs. (See "Part D: Prescription Drug Coverage" in Chapter 1 of course 82255A and see Chapter 3 of course 82257A.)
- If you were in the military, see whether you can claim financial or medical benefits from the Department of Veterans Affairs (VA). (See Chapter 3 of course 82254A.)

**If You Are Within Six Months of Your 66th Birthday**

- If you haven't already claimed Social Security retirement benefits, obtain a current estimate of the benefits you could receive when you reach full retirement age, which is between 66 and 67 for those born in 1954 or after. (See Chapter 1.)

**If You Can Work Very Little or Not at All Because of a Physical or Mental Condition**

- Look into whether you might qualify for Social Security disability benefits. (See Chapter 1 of course 82252A.)
- If you have low income and few assets, see whether you might qualify for disability benefits through the Supplemental Security Income (SSI) program. (See Chapter 2 of course 82253A.)
- If you were in the armed forces and your physical condition is in any way related to your time in the service, investigate the qualification rules for veterans disability compensation and medical care. (See Chapter 3 of course 82254A.)

**If You Are a Spouse, Minor Child, Surviving Spouse or Child, or Former Spouse of a Worker Who Is Retirement Age or Is Disabled**

- Learn whether you're eligible for Social Security or civil service survivors or dependents benefits. (See Chapter 2 of course 82252A, Chapter 1 of course 82252A of course 82252A.)
- Obtain an estimate of your own retirement benefits, and compare them to estimates of survivors or dependents benefits (you might be eligible for both but can collect only one).
- Check the rules of the pension plan of any company or government entity for which your spouse worked for more than three years. (See Chapter 2 of course 82254A for government pensions.)
- If you, your spouse, or your parent was in the military, look into whether you are entitled to any veterans retirement or disability benefits. (See Chapter 3 of course 82254A.)

**If You Are Age 60 or Older and Are Considering Getting Married**

- Find out what effect marriage would have on your right and your intended spouse's right to collect Social Security retirement, survivors, and dependents or disability benefits, and on the amount of those benefits. (See "The Amount of Your Retirement Check" in Chapter 2, and see Chapter 2 of course 82252A, Chapter 1 of course 82252A of course 82252A.)
- Determine what effect marriage would have on your and your intended's eligibility for Supplemental Security Income (SSI) and Medicaid. (See Chapter 2 of course 82253A, Chapter 1 of course 82252A of course 82257A.)

***A Note for Same-Sex Spouses***

The U.S. Supreme Court has decided same-sex spouses are entitled to federal benefits such as Social Security dependents and survivors payments, veterans spousal benefits, and Medicare, on exactly the same terms as for other spouses. For rules concerning particular benefits for spouses, refer to the chapters in the course that explain those benefits.

### *Living Together: Unofficial Marriages and Benefit Programs*

Your eligibility for certain benefits and the amount of those benefits may depend on your marital status. Social Security and other programs don't provide dependents or survivors benefits for people who live together without being married. (Members of domestic partnerships and civil unions, however, can receive spousal benefits if the state in which their relationship is registered grants inheritance rights to partners in those relationships.)

Many people who live together believe they have a common law marriage—a legally recognized marriage—even though they never went through a formal ceremony, took out a marriage license, or filed a marriage certificate. In fact, common law marriages are recognized only in Colorado, the District of Columbia, Iowa, Kansas, Montana, Oklahoma, Texas, and Utah. And in Alabama, Georgia, Idaho, Ohio, Pennsylvania, Rhode Island, and South Carolina, common law marriages are recognized only if they were formed before a certain date. If you don't live in one of these states and meet your state's particular requirements, you don't have a common law marriage and so are not eligible for Social Security or veterans dependents or survivors benefits based on your partner's work record.

If you do live in one of these states and apply for Social Security or veterans benefits based on your partner's work record, you'll be considered to have a common law marriage only if you and another person intend to be considered as married. You can show this in a number of ways—including living together as husband and wife for several years, using the same last name, referring to yourselves as married, having children together and giving them the family name you share, owning property together, and filing a joint tax return. You can even write out an agreement that says you regard yourselves as being in a common law marriage. However, there is no one thing you can count on to absolutely prove the existence of your common law marriage. And nothing guarantees that Social Security or other programs will consider you married when making a decision about your benefits.

### *Living Together: Unofficial Marriages and Benefit Programs (continued)*

Finally, if either you or the person with whom you live is still lawfully married to someone else, there can be no common law marriage.

### *Online Help on Social Security, Medicare, and Other Government Programs*

The internet has greatly increased public access to information about government programs. But not all this information is created equal. Plenty of information on the internet is helpful, but there is also a lot of confusing or misleading material. The government's own websites—like Social Security's www.ssa.gov and Medicare's www.medicare.gov—contain a huge amount of material, but the sites themselves can be hard to navigate.

This course will point you to some of the most useful internet tools and information from government websites covering retirement, pension, and medical benefits programs. If you find information on your own from nongovernment internet sources, make sure to confirm its accuracy on an official site before you use it to make a decision.

# Chapter 1: SOCIAL SECURITY – THE BASICS

*Chapter Objective*

**After completing this chapter, you should be able to:**

- Identify ways to save Social Security.

Social Security is the general term that describes a number of related programs—retirement, disability, dependents, and survivors benefits. These programs operate together to provide workers and their families with some monthly income when their normal flow of income shrinks because of the retirement, disability, or death of the person who earned that income.

The Social Security system was originally intended to provide financial security for older Americans. Unfortunately, this goal of providing financial security is today increasingly remote. Benefits haven't come close to keeping up with rapidly rising living costs, especially for seniors, which means that the support offered by Social Security is less adequate with each passing year. This shrinking of the Social Security safety net makes it that much more important that you get the maximum benefits to which you're entitled.

This chapter explains how Social Security programs operate in general. It's helpful to know how the whole system works before determining whether you qualify for a particular benefit program and how much your benefits will be. Once you understand the basic premises of Social Security, you'll be better equipped to get the fullest benefits possible from all Social Security programs for which you might qualify, which are explained in detail in Chapter 2, Chapter 1 of course 82252A, Chapter 2 of course 82252A, Chapter 1 of course 82252A of course 82252A, Chapter 1 of course 82253A.

## HISTORY OF SOCIAL SECURITY

Public images of our society generally make invisible many millions of economically hard-pressed older Americans. The older person with little income and assets is left out of the standard media pictures of two-car, two-kid suburbanites and of wealthy retired couples in gated luxury communities.

During periods of extreme economic crisis, the number of people cast off by the economy spills over the normal lines of invisibility. One such period of extreme economic dislocation was the Great Depression of the 1930s, during which many millions of people were displaced—not only from job, home, and family, but from any hope for a place in the economy. Faced with the crisis of the Depression and with the possibility of massive social upheaval, President Franklin Roosevelt and Congress pushed through a number of programs of national financial assistance—one of which was