



# Final Exam Reference Guide

## Year 2026 Facts

### FICA Tax Rates (Employers & Their Employees)

- Social Security: 6.2%
- Medicare: 1.45%
- Total: 7.65% each

### SECA Tax Rates (Self-Employed Individuals)

- Social Security: 12.4%
- Medicare: 2.9%
- Total: 15.3%

### Maximum Taxable Earnings 2026

- Social Security: \$184,500
- Medicare: No limit, but if single > \$200k or married > \$250k = additional 0.9%

### Quarter of Coverage 2026

- 1 QC = \$1,890

### Retirement Earnings Test Exempt Amounts 2026

- Before FRA: \$24,480/year  
*\$1 withheld for every \$2 in earnings above limit*
- The year turning FRA: \$65,160/year  
*\$1 withheld for every \$3 in earnings above limit*
- The month turning FRA and beyond: None
- Considered earnings: Wages and net earnings from self-employment

### Average Social Security Benefit 2026

- For All Retired Workers: \$2,071/month (\$24,852 annually)
- For Couples: \$3,208/month (\$38,496 annually)

### Bend Points 2026

- Dollar Values: \$1,286 and \$7,749
- Percentages: 90%, 32%, 15%

### Family Maximum Bend Points 2026

- Dollar Values: \$1,643, \$2,371, \$3,093
- Percentages: 150%, 272%, 134%, 175%

## Full Retirement Age (FRA)

Year of birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

\*Refer to previous year if born on January 1

## Disability Benefits Duration of Work Requirement

Age	Quarters of Coverage	Years
24-31	1/2 of time since 21	1.5-5
31-42	20	5
44	22	5.5
46	24	6
48	26	6.5
50	28	7
52	30	7.5
54	32	8
56	34	8.5
58	36	9
60	38	9.5
Greater than or equal to 62	40	10

## Age-Based Reductions & Increases

Age	Percentage of Retirement Benefit	Spousal Benefit Not Dually-Entitled (Percentage of Spouse's PIA)	Spousal Benefit Dually-Entitled (Percentage of Spouse's PIA)	Percentage of Survivor Benefit
60	-	-	-	71.5%
61	-	-	-	75.6%
62	70%	32.5%	65%	79.6%
63	75%	35%	70%	83.7%
64	80%	37.5%	75%	87.8%
65	86.66%	41.66%	83.33%	91.9%
66	93.33%	45.83%	91.67%	95.9%
67	100%	50%	100%	100%
68	108%	50%	100%	100%
69	116%	50%	100%	100%
70	124%	50%	100%	100%

\*This chart assumes FRA is 67.

## Social Security Taxation

### Singles:

- Combined income < \$25k - No taxation
- Combined income between \$25k and \$34k - Up to 50% of benefit may be taxed
- Combined income > \$34k - Up to 85% of benefit may be taxed

### Couples:

- Combined income < \$32k - No taxation
- Combined income between \$32k and \$44k - Up to 50% of benefit may be taxed
- Combined income > \$44k - Up to 85% of benefit may be taxed

### The 3-way test- Actual Taxable amount of Social Security Benefits

1. 85% of Social Security Benefit
2. 50% of Social Security Benefits + 85% of combined income over the 2nd threshold
3. 50% of combined income over the 1st threshold + 35% of combined income over the 2nd threshold