

Retirement Planning for Financial Advisors
Chapter 19 Quiz

Question 1 **5 points** [Save](#)

Some civilian employees of the federal government are not covered by Social Security.

- True
- False

Question 2 **5 points** [Save](#)

The total Social Security tax rate on self-employment income is higher than that paid on the covered income of persons employed by others.

- True
- False

Question 3 **5 points** [Save](#)

The Medicare tax for an employee is 1.45 percent on all income.

- True
- False

Question 4 **5 points** [Save](#)

After full retirement age, once a person begins receiving Social Security benefits, he or she no longer has to pay FICA tax on any earned income.

- True
- False

Question 5 **5 points** [Save](#)

Workers need at least 40 quarters of coverage to be fully insured and to qualify for retirement benefits.

- True
- False

Question 6 **5 points** [Save](#)

Retirement benefits can begin as early as age 62.

- True
- False

Question 7 **5 points** [Save](#)

A divorced spouse will not be entitled to spousal retirement benefits based on the former spouse's earnings history if they were not married for at least 10 years or, generally, if the divorced spouse is remarried.

- True

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False

Question 8

5 points

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If a married person is currently insured when he or she dies, survivor benefits are payable to the spouse at 100 percent of the deceased person's PIA if the surviving spouse begins receiving benefits at the full retirement age.

True

False

Question 9

5 points

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Disability for Social Security purposes means that a person is so severely disabled that he or she cannot perform any substantially gainful work, and the disability must be expected to last at least 12 months or be expected to result in death.

True

False

Question 10

5 points

[Save](#)

The number of years of salary history used to determine AIME is 10 less than the number of quarters of coverage needed to be fully insured.

True

False

Question 11

5 points

[Save](#)

The total retirement benefit paid to a family based on one worker's wages may be limited whenever there are two or more individuals receiving a benefit.

True

False

Question 12

5 points

[Save](#)

The spouse of a retired worker who is receiving retirement benefits may begin receiving spousal benefits before full retirement age, but the benefit that would otherwise be received at full retirement age is reduced by 5/9 of one percent for each month before full retirement age benefits begin.

True

False

Question 13

5 points

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If a person continues working indefinitely beyond normal retirement age and elects to delay the start of Social Security benefits, those benefits will be increased by a percentage factor for the time he or she continued working and delayed the start of benefit payments.

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- True
- False

Question 14

5 points

[Save](#)

The benefits of a person who continues to work after beginning retirement benefits at age 62 will be reduced by \$1 for every \$2 of earnings in excess of the earnings limitation.

- True
- False

Question 15

5 points

[Save](#)

Pensions and retirement pay are not generally counted as earnings in applying the earnings limitation.

- True
- False

Question 16

5 points

[Save](#)

Clients who retire mid-year will not be affected by the earnings test if their monthly income after retirement is below specified limits and even if their annual income exceeds the threshold.

- True
- False

Question 17

5 points

[Save](#)

The Social Security estimates given to clients in a Social Security statement are given in future dollars.

- True
- False

Question 18

5 points

[Save](#)

Up to 85 percent of a person's Social Security benefits may be subject to federal income tax.

- True
- False

Question 19

5 points

[Save](#)

An individual aged 62 who is temporarily unemployed should seriously consider beginning Social Security benefits.

- True

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False

Question 20

5 points

[Save](#)

From an economic perspective, an individual will be better off taking Social Security benefits early if the present value of the additional benefits received before normal retirement age exceeds the present value of the higher benefits that are forgone after normal retirement age.

True

False