



Social Security

# Retirement Benefits

[www.socialsecurity.gov](http://www.socialsecurity.gov)

## Contacting Social Security

### Visit our website

At our website, [www.socialsecurity.gov](http://www.socialsecurity.gov), you can:

- Create a **my Social Security** account to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, and more.
- Apply for Extra Help with Medicare prescription drug plan costs;
- Apply for retirement, disability, and Medicare benefits;
- Get the address of your local Social Security office;
- Request a replacement Medicare card;
- Find copies of our publications; and
- Get answers to frequently asked questions.

### Call us

Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

We provide general information by automated phone service 24 hours a day. You can also use this automated response system to tell us a new address or request a replacement Medicare card. We can answer your case-specific questions from 7 a.m. to 7 p.m., Monday through Friday. You'll generally have a shorter wait time if you call after Tuesday.

We treat all calls confidentially, and a second Social Security representative monitors some telephone calls, because we want to make sure you receive accurate and courteous service.

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## Social Security and your retirement plans

Social Security is part of the retirement plan of almost every American worker. If you're among the 96 percent of workers covered under Social Security, you should know how the system works, and what you should receive from Social Security when you retire. This booklet explains:

- How you qualify for Social Security benefits;
- How your earnings and age can affect your benefits;
- What you should consider in deciding when to retire; and
- Why you shouldn't rely only on Social Security for all of your retirement income.

This basic information on Social Security retirement benefits isn't intended to answer all questions. For specific information about your situation, talk with a Social Security representative.

## Your retirement benefits

### How do you qualify for retirement benefits?

When you work and pay Social Security taxes, you earn "credits" toward Social Security benefits.

The number of credits you need to get retirement benefits depends on when you were born. If you were born in 1929 or later, you need 40 credits (10 years of work).

If you stop working before you have enough credits to qualify for benefits, the credits will remain on your Social Security record. If you return to work later, you can add more credits to qualify. We can't pay any retirement benefits until you have the required number of credits.

## How much will your retirement benefit be?

We base your benefit payment on how much you earned during your working career. Higher lifetime earnings result in higher benefits. If there were some years you didn't work or had low earnings, your benefit amount may be lower than if you had worked steadily.

The age at which you decide to retire also affects your benefit. If you retire at age 62, the earliest possible Social Security retirement age, your benefit will be lower than if you wait. Pages 6-8 explain this in more detail.

**NOTE:** *If you're a worker age 18 or older, who isn't getting Social Security benefits, you can get your personal Social Security Statement online. The Statement is a valuable tool to help you plan a secure financial future. It gives you a record of your earnings, and estimates of what your Social Security benefits would be at different retirement ages. You also get an estimate of disability benefits you'd get if you become severely disabled before retirement. The Statement also gives estimates of the survivors benefits Social Security would provide your spouse and eligible family members when you die. To create an account online to review your Statement, visit our website at [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount).*

## You can get retirement benefit estimates

You can use our online *Retirement Estimator* to get immediate and personalized retirement benefit estimates to help you plan for your retirement. The online *Retirement Estimator* is a convenient and secure financial planning tool that eliminates the need to manually key in years of earnings information. The estimator also will let you create "what if" scenarios. You can, for example, change your "stop work" dates or expected future earnings to create and compare different retirement options.

For more information, read the publication, *Online Retirement Estimator* (Publication No. 05-10510) or visit our website at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator).

## Full retirement age

If you were born in 1944 or earlier, you already are eligible for your full Social Security benefit. If you were born from 1943 to 1960, the age at which full retirement benefits are payable increases gradually to age 67. The following chart lists the full retirement age by year of birth.

| Age to receive full Social Security benefits  |                            |
|---|----------------------------|
| <i>Year of birth</i>  | <i>Full retirement age</i> |
| 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                         |
| <i><b>NOTE:</b> People born on January 1 of any year should refer to the previous year.</i> |                            |

**NOTE:** Even though the full retirement age is no longer 65, you should sign up for Medicare three months before your 65<sup>th</sup> birthday.

## Early retirement

You can get Social Security retirement benefits as early as age 62. However, we'll reduce your benefit if you retire before your full retirement age. For example, if you retire at age 62, your benefit would be about 25 percent lower than it would be if you waited until you reach full retirement age.

Some people stop working before age 62. But if they do, the years with no earnings will probably mean a lower Social Security benefit when they retire.

**NOTE:** Sometimes health problems force people to retire early. If you can't work because of health problems, consider applying for Social Security disability

*benefits. The disability benefit amount is the same as a full, unreduced retirement benefit. If you're getting Social Security disability benefits when you reach full retirement age, we convert those benefits to retirement benefits. For more information, read Disability Benefits (Publication No. 05-10029).*

## **Delayed retirement**

You may choose to keep working even beyond your full retirement age. If you do, you can increase your future Social Security benefits in two ways.

Each extra year you work adds another year of earnings to your Social Security record. Higher lifetime earnings may mean higher benefits when you retire.

Also, your benefit will increase automatically by a certain percentage from the time you reach your full retirement age until you start receiving your benefits or until you reach age 70. The percentage varies depending on your year of birth. For example, if you were born in 1943 or later, we'll add 8 percent a year to your benefit for each year you delay signing up for Social Security beyond your full retirement age.

***NOTE:*** *If you decide to delay your retirement, **be sure to sign up for Medicare at age 65.** In some circumstances, medical insurance costs more if you delay applying for it. Other information about Medicare is on pages 16-17.*

## **Deciding when to retire**

Choosing when to retire is an important and personal decision. No matter the age you retire, contact Social Security in advance to learn your choices and make the best decision. Sometimes, your choice of a retirement month could mean higher benefit payments for you and your family.

In deciding when to retire, remember that financial experts say you'll need 70-80 percent of your preretirement income to have a comfortable retirement. Since Social

Security replaces only about 40 percent of preretirement income for the average worker, having pensions, savings, and investments is important.

Apply for benefits about three months before you want your benefits to start. If you're not ready to retire, but are thinking about doing so soon, visit Social Security's website to use our convenient and informative retirement planner at [www.socialsecurity.gov/retire](http://www.socialsecurity.gov/retire).

## Retirement benefits for widows and widowers

Widows and widowers can begin getting Social Security benefits at age 60, or at age 50, if disabled. Widows and widowers can take reduced benefits on one record, and then switch to full benefits on another record later. For example, a woman could take a reduced widow's benefit at 60 or 62 and then switch to her full (100 percent) retirement benefit when she reaches full retirement age. You need to talk to Social Security about your choices, because the rules may be different for your claim.

## Family benefits

### Benefits for family members

If you're getting Social Security retirement benefits, some members of your family can also get benefits, including:

- Spouses age 62 or older;
- Spouses younger than 62, if they are taking care of a child entitled on your record who is younger than age 16 or disabled;
- Former spouses, if they are age 62 or older (See "Benefits for a divorced spouse" on page 11.);
- Children up to age 18, or up to 19 if full-time students and have not graduated from high school; and
- Disabled children, even if they are age 18 or older.

If you become the parent of a child (including an adopted child) after you begin getting benefits, let us know about the child so we can decide if the child is eligible for benefits.



**NOTE:** *Children's benefits are available only to unmarried children. Sometimes, we can pay benefits to a disabled child who marries someone also disabled since childhood.*

## Spouse's benefits

Spouses who never worked or have low earnings may get up to half of a retired worker's full benefit. If you're eligible for both your own retirement benefits and spousal benefits, we always pay your own benefits first. If your benefits as a spouse are higher than your own retirement benefit, you'll get a combination of benefits equaling the higher spouse benefit.

If you have reached your full retirement age, and are eligible for a spouse's or ex-spouse's benefit and your own retirement benefit, you may choose to get only spouse's benefits. Then, you can continue accruing delayed retirement credits on your own Social Security record. You then may file for benefits later and receive a higher monthly benefit based on the effect of delayed retirement credits.

If you're receiving a pension based on work on which you didn't pay Social Security taxes, we may reduce your spouse's benefit. More information on pensions from work not covered by Social Security is on page 15.

If spouses get Social Security retirement benefits before they reach full retirement age, we reduce the benefit. The amount we reduce the benefit depends on when the person reaches full retirement age.

For example:

- If full retirement age is 65, a spouse can get 37.5 percent of the worker's unreduced benefit at age 62;
- If full retirement age is 66, a spouse can get 35 percent of the worker's unreduced benefit at age 62;
- If full retirement age is 67, a spouse can get 32.5 percent of the worker's unreduced benefit at age 62.

The benefit increases at later ages up to the maximum of 50 percent at full retirement age. If full retirement age is other than those shown here, at age 62 the benefit will fall between 32.5 percent and 37.5 percent.

However, if your spouse is taking care of a child who is under age 16, or disabled, and gets Social Security benefits on your record, your spouse gets full benefits, regardless of age.

*For example:*

Mary Ann qualifies for a retirement benefit of \$250 and a spouse's benefit of \$400. At her full retirement age, she will get her own \$250 retirement benefit. We also will add \$150 from her spouse's benefit, for a total of \$400. If she takes her retirement benefit before her full retirement age, we'll reduce both amounts.

**NOTE:** *Your current spouse can't get spouse's benefits until you file for retirement benefits. If you're full retirement age, however, you can apply for retirement benefits and then request to have payments suspended. That way, your spouse can receive a spouse's benefit and you can earn delayed retirement credits until age 70. For a married couple, only one person can apply for "spouse's only" benefits.*

## Children's benefits

Your dependent child may get benefits on your earnings record when you start your Social Security retirement benefits. He or she can get up to half of your full benefit. To be eligible, he or she must be your biological child, adopted child, or dependent stepchild. (In some cases, your child could also be eligible for benefits on his or her grandparent's earnings.)

To get benefits, your child must be:

- Unmarried;
- Younger than age 18;
- 18-19 years old and a full-time student (no higher than grade 12); or
- 18 or older and disabled before age 22.

**NOTE:** *Disabled children whose parents have limited income or resources may be eligible for Supplemental Security Income benefits. For more information, visit our website or call our toll-free number.*

## **Maximum family benefits**

If you have children eligible for Social Security, each will get up to half of your full benefit. But there is a limit to how much money we can pay to you and your family. This limit amounts to 150-180 percent of your own benefit payment. If the total benefits due to your spouse and children are more than this limit, we'll reduce their benefits. Your benefit won't be affected.

## **Benefits for a divorced spouse**

Your divorced spouse can get benefits on your Social Security record if the marriage lasted at least 10 years. Your divorced spouse must be 62 or older and unmarried.

The benefits he or she gets doesn't affect the amount you or your current spouse can get.

Also, if you and your ex-spouse have been divorced for at least two years, and you're both at least 62, your former spouse can get benefits even if you're not retired.

## **What you need to know when you're eligible for retirement benefits**

### **How do you sign up for Social Security?**

You can apply for retirement benefits online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call our toll-free number, **1-800-772-1213 (TTY 1-800-325-0778)**. Or you can make an appointment to visit any Social Security office to apply in person.

Depending on your circumstances, you'll need some or all of the documents listed below. Don't delay in applying for benefits if you don't have all the information. If you don't have a document you need, we can help you get it.

Information and documents you'll need, include:

- Your Social Security number;
- Your birth certificate;
- Your W-2 forms or self-employment tax return for last year;
- Your military discharge papers if you had military service;
- Your spouse's birth certificate and Social Security number if he or she is applying for benefits;
- Your children's birth certificates and Social Security numbers, if you're applying for children's benefits;
- Proof of U.S. citizenship or lawful alien status if you (or a spouse or child applying for benefits) were not born in the United States; and
- The name of your financial institution, the routing number, and your account number, so your benefits can be deposited directly into your account. If you don't have an account at a financial institution, or prefer getting your benefits on a prepaid debit card, you can get a Direct Express® card. For more information, visit [\*\*www.GoDirect.org\*\*](http://www.GoDirect.org).

You must submit original documents or copies certified by the issuing office. You can mail or bring them to Social Security. We'll make photocopies and return your documents.

## **Right to appeal**

If you disagree with a decision made on your claim, you can appeal it. For an explanation of the steps you can take, read *The Appeals Process* (Publication No. 05-10041).

You can handle your own appeal with free help from Social Security, or you can choose to have a representative help you. We can give you information about organizations that can help you find a representative. For more information about selecting a representative, read *Your Right To Representation* (Publication No. 05-10075).

## **If you work and get benefits at the same time**

You can continue to work and still get retirement benefits. Your earnings in (or after) the month you reach your full retirement age won't reduce your Social Security benefits. We'll reduce your benefits, however, if your earnings exceed certain limits for the months before you reach full retirement age. (See the chart on page 6 to find your full retirement age.)

*Here is how it works:*

If you're younger than full retirement age, we'll deduct \$1 in benefits for each \$2 you earn above the annual limit.

In the year you reach your full retirement age, we'll reduce your benefits \$1 for every \$3 you earn over an annual limit until the month you reach full retirement age. Once you reach full retirement age, you can keep working and we won't reduce your Social Security benefit no matter how much you earn.

If, during the year, your earnings are higher or lower than you estimated, let us know as soon as possible so we can adjust your benefits.

## **A special monthly rule**

A special rule applies to your earnings for one year, usually your first year of retirement. Under this rule, you can get a full Social Security check for any month you earn under a certain limit, regardless of your yearly earnings.

If you want more information on how earnings affect your retirement benefit, read *How Work Affects Your Benefits* (Publication No. 05-10069), which has current annual and monthly earnings limits.

## Your benefits may be taxable

About one-third of people who get Social Security have to pay income taxes on their benefits. For example:

- If you file a federal tax return as an “individual,” and your combined income\* is between \$25,000 and \$34,000, you may have to pay taxes on up to 50 percent of your Social Security benefits. If your combined income\* is more than \$34,000, up to 85 percent of your Social Security benefits is subject to income tax.
- If you file a joint return, you may have to pay taxes on 50 percent of your benefits if you and your spouse have a combined income\* that is between \$32,000 and \$44,000. If your combined income\* is more than \$44,000, up to 85 percent of your Social Security benefits is subject to income tax.
- If you’re married and file a separate return, you probably will pay taxes on your benefits.

At the end of each year, we’ll mail you a Social Security Benefit Statement (Form SSA-1099) showing the amount of benefits you received. Use this statement when you complete your federal income tax return to find out if you must pay taxes on your benefits.

Although you’re not required to have Social Security withhold federal taxes, you may find it easier than paying quarterly estimated tax payments.

For more information, call the Internal Revenue Service’s toll-free telephone number, **1-800-829-3676**, to ask for Publication 554, *Tax Guide for Seniors*, and Publication 915, *Social Security And Equivalent Railroad Retirement Benefits*.

\* *On the 1040 tax return, your “combined income” is the sum of your adjusted gross income plus nontaxable interest plus one-half of your Social Security benefits.*

## **Pensions from work not covered by Social Security**

If you get a pension from work for which you paid Social Security taxes, that pension won't affect your Social Security benefits. However, if you get a pension from work not covered by Social Security—for example, the federal civil service, some state or local government employment, or work in a foreign country—we may reduce your Social Security benefit.

For government workers, who may be eligible for Social Security benefits on the earnings record of a spouse, read *Government Pension Offset* (Publication No. 05-10007), for more information. For people who worked in another country, or government workers who also are eligible for their own Social Security benefits, read *Windfall Elimination Provision* (Publication No. 05-10045).

## **Leaving the United States**

If you're a U.S. citizen, you can travel to, or live in, most foreign countries without affecting your Social Security benefits. There are, however, a few countries where we can't send Social Security payments. These countries are Azerbaijan, Belarus, Cuba, Georgia, Kazakhstan, Kyrgyzstan, Moldova, North Korea, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, and Vietnam. We can make exceptions, however, for certain eligible beneficiaries in countries other than Cuba and North Korea. For more information about these exceptions, please contact your local Social Security office.

If you work outside the United States, different rules apply in deciding if you can get benefits.

For more information, read *Your Payments While You Are Outside The United States* (Publication No. 05-10137).

## A word about Medicare

Medicare is a health insurance plan for people who are age 65 or older. People who are disabled, or have permanent kidney failure, can get Medicare at any age.

### Medicare has four parts

- Hospital insurance (Part A) helps pay for inpatient hospital care and certain follow-up services.
- Medical insurance (Part B) helps pay for doctors' services, outpatient hospital care and other medical services.
- Medicare Advantage plans (Part C) are available in many areas. People with Medicare Parts A and B can choose to receive all of their health care services through a provider organization under Part C.
- Prescription drug coverage (Part D) helps pay for medications doctors prescribe.

If you already are getting Social Security benefits when you turn 65, your Medicare hospital insurance (Part A) starts automatically. If you live in one of the 50 states, Washington, D.C., the Northern Mariana Islands, Guam, American Samoa, or the Virgin Islands, you'll be enrolled in medical insurance (Part B) automatically. *Residents of Puerto Rico or foreign countries won't receive Part B automatically. They must elect this benefit.*

If you're not already getting Social Security, contact us about three months before your 65th birthday to sign up for Medicare. Sign up for Medicare even if you don't plan to retire at age 65. For more information, read *Medicare* (Publication No. 05-10043).



## **Help with Medicare expenses for people with low income**

If you have limited income and resources, your state may pay your Medicare premiums and, in some cases, other “out-of-pocket” medical expenses, such as deductibles and coinsurance.

Only your state can decide whether you qualify for help from the Medicare Savings Programs. To find out, contact your state or local medical assistance (Medicaid) agency, social services, or welfare office.

## **“Extra Help” with Medicare prescription costs**

If you have limited income (tied to the federal poverty level) and limited resources, you may qualify for Extra Help to pay for your prescription drugs under Medicare Part D. Social Security’s role in this program is to:

- Help you understand how you may qualify;
- Help you complete the Extra Help application; and
- Process your application.

If you apply for Extra Help, we also will start an application for the Medicare Savings Programs, unless you tell us not to. To see if you qualify or to apply, call Social Security’s toll-free number, or visit our website at [www.socialsecurity.gov/extrahelp](http://www.socialsecurity.gov/extrahelp).






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