SOCIAL SECURITY OVERVIEW

What It Is

Social Security is a government provided retirement benefit funded through payroll taxes.

What Benefits It Offers

Social Security provides monthly retirement benefits based on your lifetime earnings—or your spouse's.

How It Works

The Basics

In general, when it comes to your individual benefits:

Reduced Benefits – You can claim your benefits as early as age 62. However, since this is before your Full Retirement Age (FRA), your benefits would be permanently reduced by about 25%.

Full Retirement Age – Your full benefit is available to you at your FRA.

Year of Birth	Full Retirement Age
1943-1954	66
1955-1959	66 and 2 months to 66 and 10 months
1960 and later	67

Primary Insurance Amount – If you wait until age 70, you can grow your individual benefit by as much as 24-32% (~8% per year of waiting).

Get an estimate of your individual benefits at **ssa.gov/benefits/calculators/**

Who Qualifies?

In order to qualify for benefits, you must have 10 years of work history. Or, if you are receiving Social Security retirement benefits, some members of your family also can receive benefits, including:

- Spouses who are aged 62 or older
- Former spouses, if they are aged 62 or older if the marriage lasted 10 years or more and they have not remarried
- Children up to age 18, or up to 19 if they are full-time high school students
- Disabled children, even if they are age 18 or older
- Widows and widowers at age 60, or at age 50 if they are disabled

How Benefits Are Calculated

Individual Benefits – Social Security benefits are based on your highest 35 years of indexed lifetime earnings.

Spousal Benefits – A spouse is entitled to their own benefit or as much as one-half of the retired spouse's full benefit.

Claiming Strategies

Collect at 62

Claim benefits as soon as possible. This strategy should be considered by individuals with little or no current or future earned income who have concerns about:

- The viability of the Social Security system
- Efforts to means test wealthy/high income retirees
- Expect Social Security will be fully taxable in the future (as opposed to only 85% taxable now)
- And/or those whose health history suggests a below average life expectancy

An important consideration of early collection is that reduced benefits also reduce your spouse’s survivor benefits.

Collect at Full Retirement Age

Collect the standard full benefit. This strategy should be considered by those who want to collect as early as possible, but were previously deterred by the earnings penalty and/or want to ensure a higher survivors benefit for their spouse.

Delay to 70	Delay benefits as long as possible to allow the annual benefit to increase. This strategy should be considered by individuals who: ▪ Work past full retirement age ▪ Do not require Social Security cash flow and believe the benefit increase provides a better return than can be earned elsewhere ▪ Have asset longevity concerns and/or health/family history that suggests an above average life expectancy **Please note delaying benefits beyond full retirement age increases survivor benefits.**
Widows and Widowers	Widows and widowers are able to claim widow's benefits at age 60, or 50 if disabled. They can elect to receive a reduced widow's benefit and then switch to their full retirement benefits when they reach full retirement age.