



# Sieze today. Secure tomorrow.

Your field guide to Social Security

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# “One size fits all” doesn’t apply to retirement plans.

Social Security is an amazing benefit that you've earned over a lifetime of work. The program offers a variety of options for retirees, with plans you can tailor to meet your personal needs. As you approach retirement, know that you're not alone. In 2023, 71.6 million people received benefits from the Social Security Administration.<sup>1</sup> Transamerica's **Field Guide to Social Security** answers some of the most common questions about your benefits, making it a great resource as you approach retirement and decide how you want to claim your Social Security benefits.

<sup>1</sup> "Fast Facts & Figures About Social Security," Social Security Administration, September 2024

**This material is not connected with or endorsed by the Social Security Administration.**

# There when you need it

## Explore how Social Security fits into your retirement strategy

Social Security is a monthly income that you can depend on to last throughout your retirement. Talk to your financial professional about how Social Security can be a key pillar to your retirement income strategy.

### The state of Social Security

- The Old-Age and Survivors Insurance (OASI) Trust Fund reserves are projected to pay full benefits until 2033. Continuing program income will cover 79% of benefits.<sup>2</sup>
- Combined reserves (OASDI) are projected to pay full benefits until 2035.<sup>2</sup>
- Tax income will cover 83% of benefits in 2035, and 73% by 2098,<sup>2</sup> even if nothing is changed.

According to the Social Security Administration's 2023 assessment of the program's health, those 65 or older today would not have to worry about changes in benefits until they are at least 75, and even then, there are many ways the program can be adjusted to ensure a lifetime of income without upsetting their carefully made retirement plans.

Visit [ssa.gov/OACT/solvency](https://ssa.gov/OACT/solvency) to see what Congress is working on.

### Income sources of current retirees

Longevity complicates the retirement funding question, especially since Social Security was never intended to replace 100% of our pre-retirement income. How much largely depends on your earnings level. Fortunately, there are resources to help you plan the best way to supplement your retirement income.

### How much of our pre-retirement income will Social Security replace?<sup>3</sup>

56%

#### For very low earners

(\$20,000 earnings with  
\$938 Monthly Benefit  
Amount at FRA)

31%

#### For medium earners

(\$80,000 earnings with  
\$2,086 Monthly Benefit  
Amount at FRA)

22%

#### For high earners

(\$160,000 earnings with  
\$2,924 Monthly Benefit  
Amount at FRA)

<sup>2</sup> "The 2024 Annual Report," The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2024

<sup>3</sup> "Sources of Retirement Income Study Outline," The American College of Financial Services, 2022

# Calculating the benefits you have earned

## Getting started

The steps we take today can help add up to something momentous tomorrow. By getting a retirement plan in place early on, you can begin building the future you want. As you and your financial professional create your plan, you'll want to familiarize yourself with a few simple terms. Think of them as the language of Social Security. For the complete definitions from the Social Security Administration, go to [ssa.gov/agency/glossary](https://ssa.gov/agency/glossary).

## Full Retirement Age (FRA)

This is the age when you'll become eligible for full, unreduced retirement benefits. Your FRA is based on your date of birth. There is a table to help you figure out your FRA on page 6.

## Primary Insurance Amount (PIA)

The PIA is the Social Security Administration's calculation of your benefits, based on the income you made during your 35 highest-earning years of work. It will determine the amount of monthly income Social Security would provide to you, if you begin collecting benefits at FRA.

## Eligibility

Eligibility typically requires about 10 years in the workforce. But remember, the time you spend in the workforce only determines eligibility, not the amount of your monthly benefit.

## Annual statement

The annual Social Security statement is an excellent resource for estimating what your monthly benefits may be in retirement. The Social Security Administration mails these statements annually to Americans 60 and up who aren't receiving benefits and don't have an online account. But, you can view your personalized statement any time by setting up an account at [ssa.gov/myaccount](https://ssa.gov/myaccount).

## Access your statement using these simple steps:

1

Visit [ssa.gov/myaccount](https://ssa.gov/myaccount)

2

Provide your valid email, Social Security number, and street address

3

Verify your identity by answering some personalized questions

4

Create a username and password and enter activation code provided by email or text message

5

Once your account is created, you can download your statement



### Are you a federal employee, or do you work for a state or local government agency?

Your Social Security benefits may be calculated differently. See the Quick Reference Guide starting on page 27 for more detailed information on the Windfall Elimination Provision (WEP).

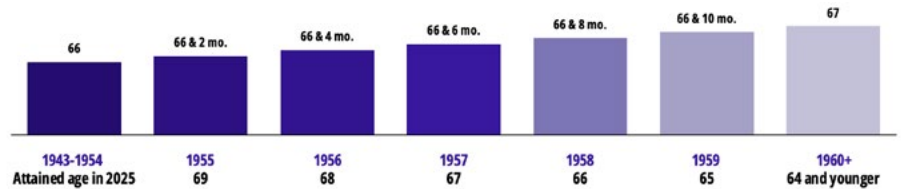
# How your benefits are determined

One important factor in how your monthly Social Security benefit is calculated is the age at which you decide to file your claim. It's also a factor that you control.

## 1. Filing at FRA

This option is straightforward. You're eligible for full benefits (100% of your PIA) if you decide to file for those benefits at FRA.

### FRA by year of birth



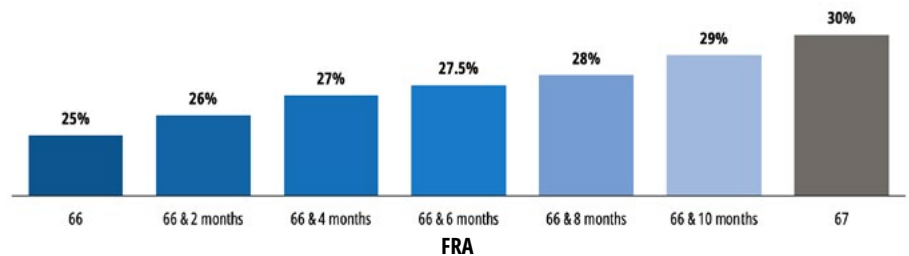
<sup>4</sup> "Starting Your Retirement Benefits Early," Social Security Administration, accessed November 2024

## 2. Filing early

You can claim benefits as early as age 62. Filing early allows you to access your monthly income earlier, but it means lower monthly payments for the rest of your retirement. You can claim benefits any time after you turn 62, but your benefits will be reduced according to how much time remains before you reach your FRA.

### Decrease in benefits if claiming at 62

Amount reduced by the time you reach FRA



This is the reduction for anyone turning 62 in 2025.

Percentages are rounded to the nearest whole number unless otherwise indicated.

<sup>4</sup> "Starting Your Retirement Benefits Early," Social Security Administration, accessed November 2024

## 3. Filing after FRA

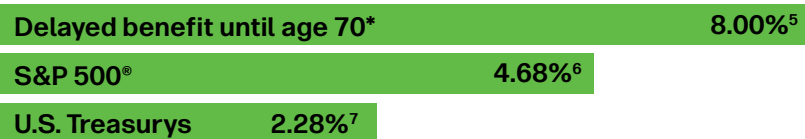
The last option will give you the highest benefit possible, if you can afford to wait. For every month after FRA you wait to receive benefits, your benefits amount will increase.

This is true up to age 70.

As you can see by the chart, delaying can increase benefits up to 8% per year.

### Return on delayed benefits

Annual rate of return



<sup>5</sup> "Retirement Benefits," Social Security Administration, 2024

<sup>6</sup> "Historical Return Calculator," S&P 500, accessed November 2024

<sup>7</sup> "U.S. Department of the Treasury — Daily Treasury Real Long-Term Rates," November 2024

\*If born in 1943 or later.

## You decide when to start collecting benefits

Deciding when to begin collecting benefits is a personal choice that you'll make with your financial professional. Everybody's situation is different because there are so many factors involved.

Don't forget to take a long view. Americans are living longer than ever. It's estimated we've added nearly 30 years to the average life expectancy in a single century, and now the Social Security Administration expects a man who's currently age 65 to live to be over 84, while a woman the same age today can expect to live to nearly 87.<sup>8</sup> But, about one out of three adults who are 65 today will live to at least 90, and one in seven will live to at least 95.<sup>9</sup>

<sup>8</sup> "Retirement & Survivors Benefits: Life Expectancy Calculator," Social Security Administration, accessed November 2024

<sup>9</sup> "When to Start Receiving Retirement Benefits," Social Security Administration, 2024

## You can work and still receive benefits

You can keep working while you receive benefits, but there are some considerations. If you choose to receive benefits before your FRA, you'll encounter some earned income limits, and exceeding these limits will reduce your benefits.

Earned income is any wages you earn from working, both in a job or from a business that you operate. If you're paid for doing something, that's earned income.

Note the "special rule" for the first year you retire. If you retire in mid-year and have already earned more than your annual earnings limit (see table below), you can still receive a full Social Security check for every whole month you're retired.

Working in Retirement (2025 Earned Income Limits) <sup>10</sup>	
<b>Under FRA</b> – \$1 of benefits withheld for every \$2 in earnings above the limit for years prior to reaching FRA	\$23,400 per year
<b>Individual reaches FRA in 2025</b> – \$1 of benefits withheld for every \$3 in earnings above the limit for months prior to reaching FRA	\$62,160 per year
<b>Month individuals reached FRA and beyond</b> – Reduction no longer applies	Unlimited

<sup>10</sup> "Fact Sheet: 2025 Social Security Changes," Social Security Administration, 2024

## Hypothetical break-even ages

The longer you wait to collect benefits, the larger your monthly check will be. On the other hand, if you start collecting benefits earlier, you'll collect for a longer period of time. The graph on page 18 shows hypothetical examples of three retirees. One claimed benefits when he was first eligible at age 62. Another waited until FRA, and a third waited until she turned 70. As you can see, there are points where the lifetime benefits for those who delayed collecting catch up and pass the benefits earned by someone who accepted a smaller benefit by collecting at the earliest possible age.



# The many roads to retirement





## Say hello to Frank and Ellen

To make these scenarios easier to understand, let's put them in context of a married couple, Frank and Ellen Roosevelt. Frank's FRA is 66, and he's the older of the two. Ellen's FRA is also 66.

On the following pages, we'll examine a few ways Frank and Ellen may elect to claim Social Security benefits.

Remember, these are examples. Every situation is different, and you'll want to develop the customized strategy that's best for you and your family.



# Retirement strategies

Now that you have a better understanding of when you can collect benefits, the choices you can make, and the control you have, let's talk strategy. With careful consideration, a married couple can work together to create a customized benefit stream based on their lifestyle.

## Spousal benefits – general guidelines\*

- If you file for spousal benefits at your FRA, your benefit will be equal to 50% of your spouse's PIA
- You must be 62 or older to qualify
- You can't collect benefits on your current spouse's record until they file for their own benefit
- Amount is reduced if taken before FRA, and doesn't increase if delayed
- These rules also apply for divorced-spouse benefits, as long as the marriage lasted at least 10 years and the beneficiary spouse is currently unmarried\*\*

## Combining spousal benefits

You and your spouse can work together to make the most of your benefits. And there are ways to use these spousal benefit options even if you're divorced or your spouse has passed away. Learn more about spousal benefits at [ssa.gov/planners/retire/applying6.html](https://ssa.gov/planners/retire/applying6.html).

\* Some exceptions exist.

\*\* Those who qualify for divorced-spouse benefits may collect before former spouse files, but they must have been divorced for two years.

## Fact:

For a 65 year old couple today, there is a 50-50 chance one of the spouses will live beyond age 90.



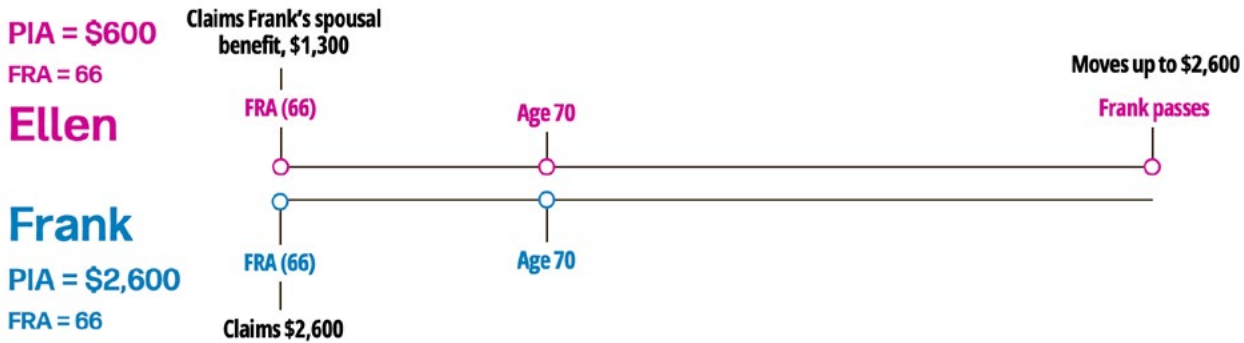
"When to Start Receiving Retirement Benefits," Social Security Administration, 2024

# Strategy 1: Claim now

## Access spousal benefits

Choosing when to file for Social Security benefits involves careful thought. Our couple, Frank and Ellen, will need to consider not only monthly income, but also their retirement years as a whole. Will they want to claim benefits at FRA and gain extra time to travel and spend with family? Or do they want the highest monthly benefit?

In Strategy 1, Frank retires at FRA and claims his full benefit of \$2,600 a month. Ellen files for spousal benefits at FRA and claims \$1,300. They enjoy their retirement years, and when Frank passes on, Ellen steps up to his monthly benefit of \$2,600.



Remember, these examples are simple. Most couples will have other factors to consider, such as differences in age and situations where each spouse has their own benefit to leverage.

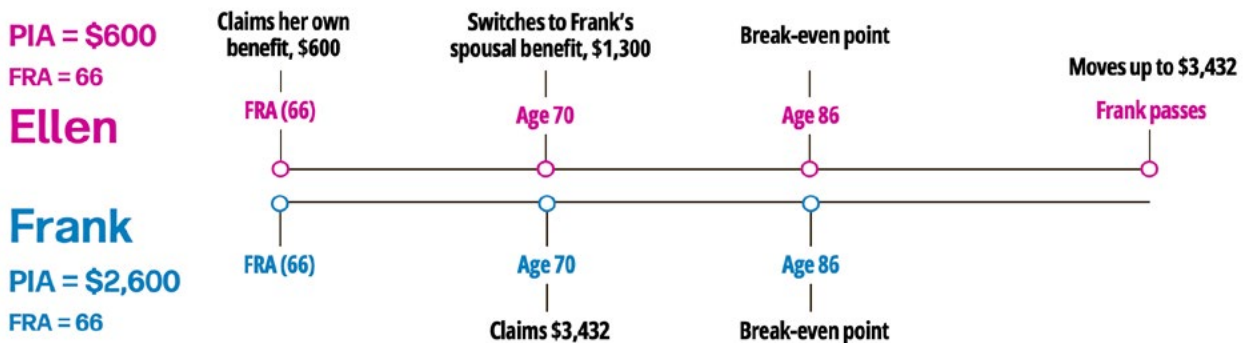
Still, comparing claiming strategies by calculating a “break-even point” can help you make a decision that’s right for your specific situation.

# Strategy 2: Claim later

## Maximize survivor benefits

If Frank delays his benefits until age 70, he earns his maximum monthly benefit. Ellen may claim her own benefit any time she’s eligible, but to claim spousal benefits on Frank’s PIA, she must wait

until Frank files for his own benefits. Once Frank files for his benefits, she may switch to her spousal benefit.





For Frank to lock in that higher benefit, he must wait until he reaches 70. While that means Ellen will have to wait to file for her spousal benefit adjustment, a big consideration is that if Frank dies before Ellen, she steps up to his maximum monthly benefit of \$3,432.

In this scenario, if Ellen files for her own \$600 monthly benefit at FRA while Frank waits, the couple forgoes \$158,400 in benefits over the four years until Frank reaches 70. This includes Frank not collecting his \$2,600 a month for 48 months, while Ellen gives up the extra \$700 a month she would have received by filing for spousal benefits.

But by waiting until he is 70, Frank's monthly benefit increases to \$3,432. Ellen's spousal benefit still caps out at \$1,300, 50% of Frank's

PIA of \$2,600. This means that their collective benefits increase by \$832 per month if Frank waits. In a little under 16 years, the increased benefit from waiting surpasses the \$158,400 they gave up, and from there on, the couple is earning more total lifetime Social Security income than if Frank hadn't waited.

If either Frank or Ellen lives past 86, not only will they have recovered income they gave up while waiting, but his annual benefit will be \$9,984 higher than if they claimed at FRA.

By waiting until he's 70 to file, Frank and Ellen miss out on some Social Security income early on, but they may eventually come out ahead, and Frank will leave Ellen with higher monthly Social Security income in the event that he passes on before her.





# Survivor benefits

The loss of a family’s primary wage earner is a devastating event. Fortunately, Social Security compensates for this through survivor benefits, which can continue to provide income to families even after a loved one’s passing. These benefits are an important and valuable part of Social Security planning.

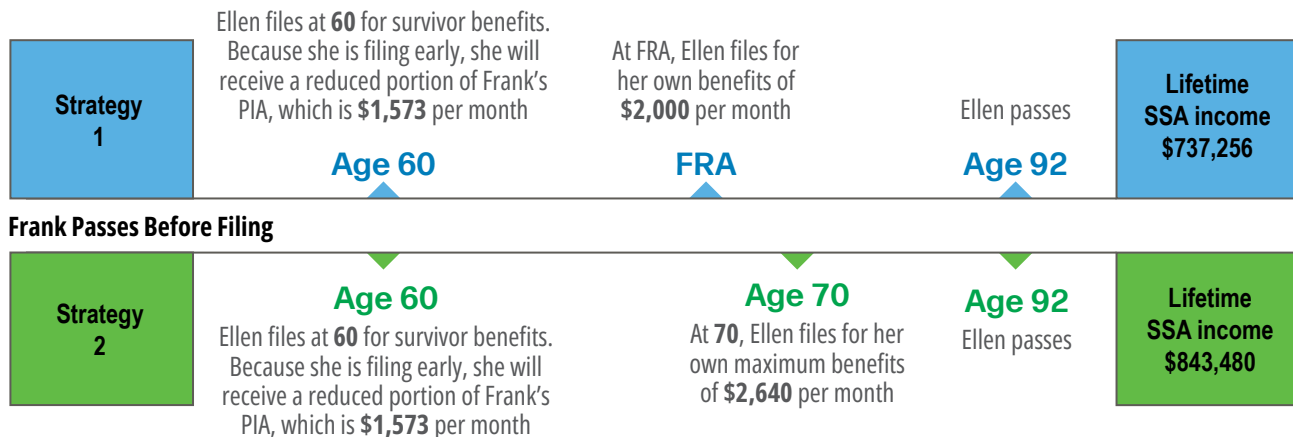
## Survivor benefits – general guidelines

- Surviving spouse can receive up to 100% of the deceased spouse’s benefit<sup>11</sup>
- Except in the case of an accident, a couple must have been married at least nine months at time of death<sup>12</sup>
- Survivor gets full benefit at his or her own FRA, or a survivor must be at least 60 (50 if disabled) for reduced benefits<sup>11</sup>
- Benefit is not available if surviving spouse remarries before age 60<sup>11</sup>
- Divorced spouse can claim survivor benefit on ex-spouse’s record if married for at least 10 years and does not remarry before age 60<sup>11</sup>

## Even in the case of survivor benefits, planning matters

In a case where a spouse passes away before filing for benefits, there are still strategies to consider. In this case, assume Frank has passed away at age 57. His FRA benefit would have been \$2,200. Ellen’s FRA benefit is \$2,000.

As a surviving spouse, Ellen may file as early as age 60. In Strategy 1, Ellen starts collecting reduced survivor benefits at 60, and then gives herself a raise by switching to her own benefit at FRA. In Strategy 2, she files at 60, staying with her survivor benefits until 70, and then switches to her own, enhanced benefit. That could generate an extra \$106,224 in lifetime benefits over Strategy 1.



Remember, Social Security has earned income limits. For example, if Ellen continues to work, she may encounter adjustments based on her income. Every situation is different, but this illustrates how you’ll need to make decisions before filing for benefits.

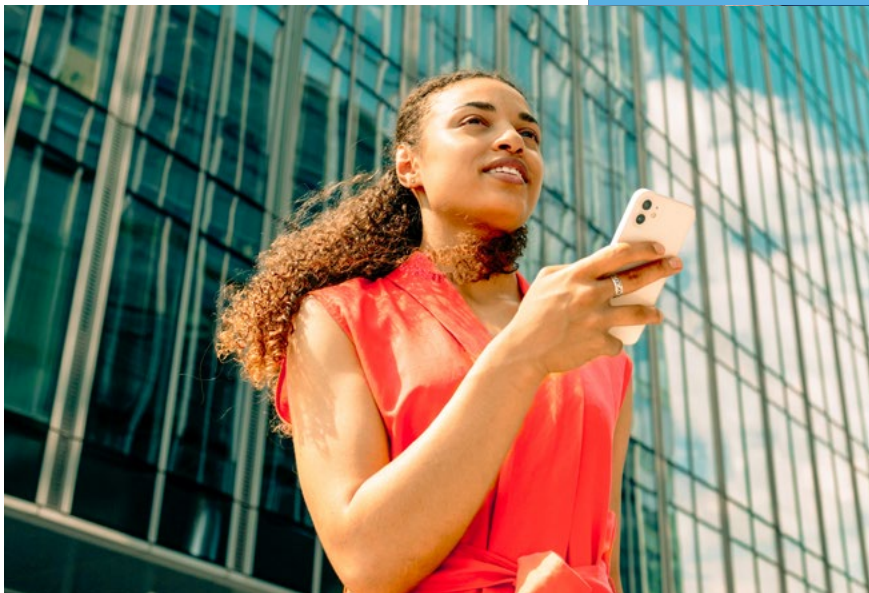
<sup>11</sup> “Survivors Benefits,” Social Security Administration, 2024

<sup>12</sup> “Policy - Marital Relationship Duration,” Social Security Administration Program Operations Manual System (POMS), accessed November 2024

# Your financial journey

## College graduation

It may seem a bit early to start thinking about Social Security, but it's never too early to start thinking about your future. Take advantage of any savings programs your new workplace offers to make the most of compound interest.



## Early adulthood

It's an exciting time as young investors start families, buy their first homes, and begin building a life. But don't forget to consider the future – college savings plans, life insurance, and retirement plans.

# The retirement you imagine is within reach

Getting an early start and following a plan can create options for you at every step. With planning and disciplined choices, you can build the foundation of a solid retirement. Working with a financial professional can help you find the right blend of retirement investment tools and Social Security income strategies that can provide years of stable, secure income. Get started today.

## Age 45-59

Before you know it, you're in your mid-40s and life is moving pretty fast. Start imagining what your next chapter might look like. Sit with your financial professional. Make YOUR plan.

## Age 60-61

Wow, where did the time go? These transition years are the time to think strategy. When will you retire? What income needs will you have? File at FRA? Delay filing for maximum benefits? You have options.

## Age 62-64

A lifetime of hard work has earned you plenty of options. You can file as early as 62, but should you? How will you choose to claim your Social Security benefits? What plan is best for you and your family?

## Age 65+

Congratulations! After years of planning, you're ready for an exciting new chapter of your life. Time for family, friends, and new adventures. Review your Medicare benefits, Social Security strategies, and how your benefits fit with other retirement income.





# Age 45-59

## An early start provides options later

Those approaching retirement face many decisions: Where to live, how to stay fit, what future sources of income will be, and how to manage healthcare costs. Now is the time to sit down with your financial professional and develop a retirement strategy.

## Calculating Social Security benefits

Take stock of where you are. The Social Security Administration calculates your benefits based on your 35 highest-earning years because that's when you paid the most into the system. Remember, it generally takes about 10 years in the workforce to become eligible. This chart shows the average monthly benefits for retirees, but you can get a more complete picture by creating a personalized estimate at [ssa.gov/myaccount](https://ssa.gov/myaccount).

## Benefits can be the foundation of a secure retirement

2025 Monthly Benefits	
Average for Retired Worker	\$1,976 <sup>13</sup>
Average for Retired Couple	\$3,089 <sup>13</sup>
Maximum (at FRA)	\$4,018 <sup>13</sup>
Maximum at age 70 in 2024	\$5,108 <sup>14</sup>



<sup>13</sup> "Fact Sheet: 2025 Social Security Changes," Social Security Administration, 2024

<sup>14</sup> "Workers with Maximum-Taxable Earnings," Social Security Administration, 2024





# Age 60-61

## Create your customized plan

According to the Social Security Administration, “What’s the best age to start receiving retirement benefits?” is a common question. That’s because it’s one of the most important financial decisions you’ll make as you build your retirement plan. Work with your financial professional to determine when you want to retire. And become comfortable understanding the concepts of FRA and PIA.

## Choosing when you want to retire

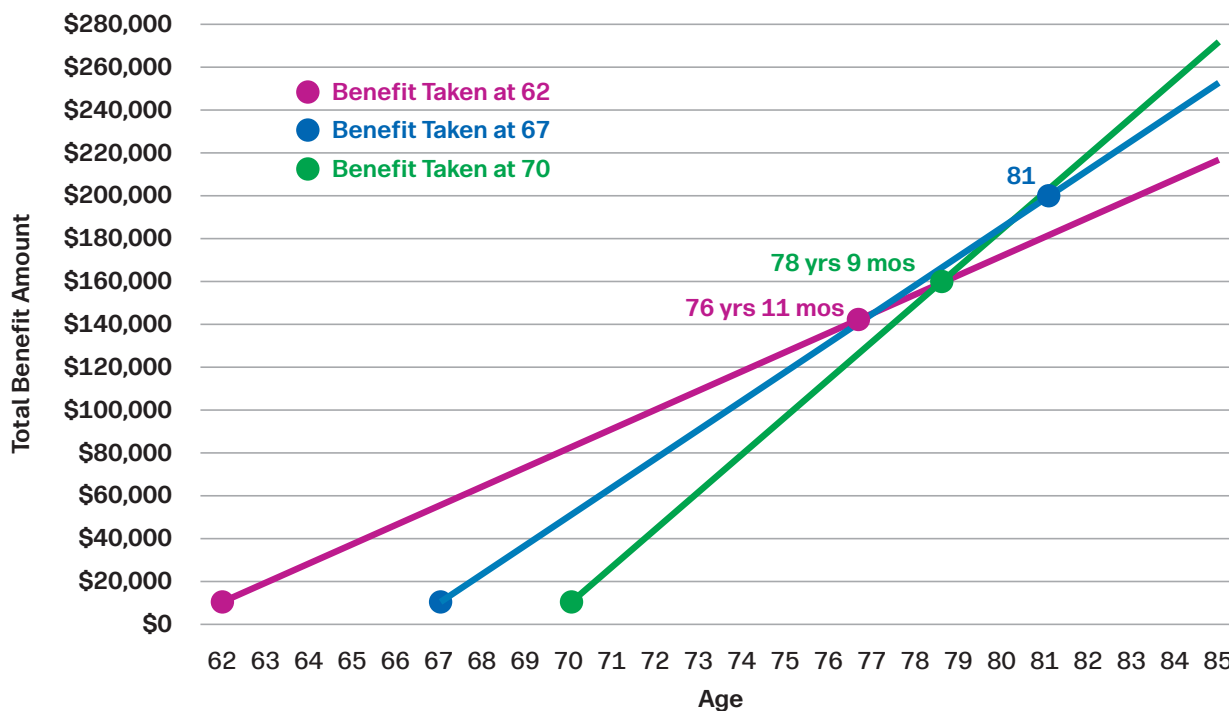
Make sure you understand your Social Security benefits and work with your financial professional to choose the time that best fits your life and your plan. Consider your financial situation as well as your health, years in the workforce, marital status, other retirement assets, and lifestyle expectations.

## Exploring your options

As we’ve seen, the amount of Social Security benefits you collect will vary based on when you file and the strategies you choose. As you approach your target retirement date, review the strategies on the opposite page to help decide what’s best for you and your family.

## Break-even ages

Filing for benefits at the earliest possible age, 62, gets you your benefits earlier, but at a reduced rate. Waiting beyond FRA will increase lifetime benefits for recipients who live into their 70s, 80s, and beyond.



Calculations assume a PIA of \$1,000 and a FRA of 66. This example is hypothetical and does not guarantee or predict an actual situation. Totals do not include cost of living adjustments. Example illustrates \$725/mo. at age 62; \$1,000/mo. at 66; \$1,280/mo. at 70. Chart derived using information provided by the Social Security Administration, “Retirement Planner: Delayed Retirement Credits” and “Retirement Planner: Can You Take Your Benefits Before Full Retirement Age,” 2019.

## The lifestyle you want to live

- Health of you and your spouse, including family life expectancy
- Retirement savings, other likely retirement income

Remember our example on page 9, a married couple named Frank and Ellen Roosevelt. Frank is older than Ellen, and both have an FRA of 66.

### Claim now: Access spousal benefits

In this example, the higher earning spouse, Frank, retires at FRA and claims his full benefit of \$2,600 a month. Ellen files for spousal benefits at FRA and claims \$1,300. They enjoy their retirement years, and when Frank passes on, Ellen steps up to his monthly benefit of \$2,600.

The biggest factor Frank and Ellen may want to consider is lifestyle. Do they want to enjoy more time in retirement? Do they have a secure retirement plan in place? How is their health? Will Ellen have enough monthly income when Frank passes on? These are all things to consider before claiming at FRA.



### Claim later: Maximize spousal benefits

For those who can afford to wait, delaying filing for benefits until age 70 is the only way to achieve the highest possible monthly and survivor benefits. The issue is that for Ellen to file using Frank's PIA, she must wait until Frank actually files for benefits at 70. While waiting, Ellen is free to file for her own benefits any time she is eligible. She may then step up to her spousal benefit once Frank files for his own benefits.

If Frank and Ellen don't need the Social Security income right away, waiting until Frank turns 70 will provide the couple with an enhanced monthly benefit later. It also guarantees that Ellen will step up to Frank's maximum benefit when Frank passes on, providing her with the most monthly income as a widow.

Again, making these decisions takes careful thought and an understanding of what's right for each couple, including factors such as health, financial needs, additional retirement income, and desired lifestyle.



# Age 62-64

## Thinking about retirement

Congratulations! After a lifetime of hard work and Social Security contributions, you've reached the age when you may choose to claim the benefits you've earned. But is now right for you?

One of the big factors that determines the monthly benefit you receive is when you choose to file.

## Filing early

You can file as early as age 62. That will start your monthly benefits at the earliest possible date, but it will cost you. By filing before FRA, your monthly benefits can be reduced as much as 30% – for life. Waiting a year or two can substantially increase your monthly benefits. Even delaying a month can make a difference. See the chart below.

## When can you expect full Social Security benefits?

### Age to Receive 100% of Monthly Benefits<sup>4</sup>

Year of Birth	FRA
Before 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

If born January 1, the SSA figures your FRA as if you were born in the previous year.

<sup>4</sup> "Starting Your Retirement Benefits Early," Social Security Administration, accessed November 2024

## Planning for two

Don't forget, as you create your Social Security planning strategy, you're planning for two if you're married. The right strategy will include both you and your spouse. Be sure to think about spousal benefits and survivor benefits. A little planning now can ensure both of you will be taken care of for life.

## What if I change my mind?

If you file for benefits before reaching FRA, you have the power to undo that decision. Maybe you weren't as ready to retire as you thought and want to keep working. In this case, you can file a Withdrawal of Application. You'll need to repay Social Security all the benefits you collected. This is essentially a "do-over." **You may only do this once in your life**, and the Withdrawal of Application must be filed within 12 months of the first month you collected benefits. Then, when you decide it's time to collect, you can file as if it were your first time filing for benefits.







# Age 65+

## Medicare

No matter when you retire, most people will become eligible for Medicare at age 65. It's an important part of your retirement planning, and Medicare does cross paths with Social Security planning. You should remember that Medicare enrollment isn't necessarily automatic. Be sure you're enrolled when you turn 65, since missing deadlines can incur costs. There are four parts to Medicare, including hospital and medical insurance, as well as dental, vision, and prescription drug options.

For more detailed information, go to [medicare.gov](https://www.medicare.gov) or speak to your financial professional.

## Working beyond FRA

What if you want to work a little longer? You can still work while receiving benefits, but it's important to talk with your financial professional and a qualified tax professional to learn about potential advantages and disadvantages. The table below shows current earnings limits. Note the different rules that apply to working both before and after FRA.

Working in Retirement (2025 Earned Income Limits) <sup>10</sup>	
<b>Under FRA</b> – \$1 of benefits withheld for every \$2 in earnings above the limit for years prior to reaching FRA	\$23,400 per year
<b>Individual reaches FRA in 2024</b> – \$1 of benefits withheld for every \$3 in earnings above the limit for months prior to reaching FRA	\$62,160 per year
<b>Month individuals reached FRA and beyond</b> – Reduction no longer applies	Unlimited

<sup>10</sup> "Fact Sheet: 2025 Social Security Changes," Social Security Administration, 2024







## Taxation of your benefits

Planning for the potential taxation of Social Security benefits requires working with a qualified tax professional. But there are a few guidelines you may consider.

### Taxes and Social Security<sup>14</sup>

Income Amount	FRA
File individual tax return and combined income* is \$25,000-\$34,000	Up to 50% of benefits may be taxable
File individual tax return and combined income* is more than \$34,000	Up to 85% of benefits may be taxable
File joint tax return and combined income* is \$32,000-\$44,000	Up to 50% of benefits may be taxable
File joint tax return and combined income* is more than \$44,000	Up to 85% of benefits may be taxable

\*The Social Security Administration defines your “combined income” as your adjusted gross income + nontaxable interest + ½ of your Social Security benefits.

<sup>15</sup> “Retirement Benefits,” Social Security Administration, 2024

### Strategies

Tax-Smart Strategy	Advantage
Delay benefits while using other assets for income	Delay potential taxes on benefits
Generate retirement income with Roth IRA distributions	Distributions are not taxable; this keeps investments growing, tax-free, and regulates receipt of taxable income*

\*Conditions apply. In most cases, must be held at least 5 years and distributions not taken before 59 1/2 to avoid potential taxes and/or penalties.

# FAQ

## **Will Social Security still be there when I retire?**

Some information claims Social Security is going bankrupt, and most agree there are legitimate concerns about the program's sustainability. However, there are some misconceptions. Reserves are projected to pay full benefits until 2033, at which time OASI income would be sufficient to pay 79% of scheduled benefits. Of course, changes to the Social Security program through legislative action are always a possibility.

## **What changes should I expect to the system?**

There's been debate over how to make Social Security more solvent, and concrete solutions haven't been implemented yet. However, changes that have been discussed include an increase in Social Security tax rates, a higher maximum earnings amount subject to Social Security taxes, an increase in FRA, a decrease in future retirement benefits, and a reduction in the COLAs. A list of some changes proposed over the years is online at [ssa.gov/OACT/solvency](https://ssa.gov/OACT/solvency).

## **When should I file for benefits?**

The answer to this question is different for everybody, but it's important to know your benefit amount will change depending on when you file. You may receive reduced benefits as early as the first month you reach 62, you may receive full benefits at FRA, or you can receive a higher benefit amount if you delay receiving them beyond FRA (up to age 70).

## **Can I work and still receive benefits?**

Yes. However, there are limits to how much you can earn before your benefits will be reduced. If you begin receiving benefits before FRA, you may earn up to \$23,400 per year. If you earn more, \$1 of benefits will be withheld for every \$2 you earn above the limit. If you begin receiving benefits in the year you reach FRA, you may earn up to \$62,160 per year, with \$1 of benefits being withheld for every \$3 you earn above the limit. There is no limit to the amount you can earn if you start receiving benefits at or after FRA.

## **Can I estimate what my benefits will be?**

Yes. Doing so is a crucial aspect of retirement planning. Your estimated benefit is included as part of your annual Social Security statement. You can find this statement online by visiting [ssa.gov/myaccount](https://ssa.gov/myaccount). To create an account, you must create a username and password and provide personal information to verify your identity.

## **What is the maximum available benefit?**

The maximum benefit for 2025 is \$4,018 at FRA per month. However, most retirees don't receive anything close to that amount. The average in 2025 is expected to be \$1,976 monthly. The maximum benefit at age 70 in 2025 is \$5,108.

## **Are social security benefits subject to taxation?**

Yes, in some cases you'll have to pay federal income taxes on your Social Security benefits. Generally speaking, you're required to pay taxes if you have other income in addition to your Social Security benefits. Be sure to consult a tax professional for guidance.



### **When can I collect a spousal benefit?**

In most cases, you must be age 62 or older to qualify for spousal benefits. You must wait until your spouse files on their own record (unless divorced). If you file for spousal benefits at FRA, your benefit will be equal to 50% of your spouse's PIA. The amount is reduced if taken prior to FRA, but it won't increase if delayed past FRA.

### **How long do I have to be married to collect spousal benefits?**

You must be married to the primary worker for at least one continuous year before applying for benefits. To collect benefits from a divorced spouse, the marriage needs to have lasted at least 10 years.

### **Can I switch my individual benefit to my spousal benefit?**

Yes. You can claim your own benefit as early as 62. Once your spouse files for benefits, you'll be eligible for a spousal adjustment to your benefit.

### **What if I'm divorced?**

Many who divorced long ago don't realize they're entitled to a spousal benefit if the marriage lasted more than 10 years. Typically, the beneficiary spouse must be currently unmarried. Divorced spouses don't have to wait for their former spouse to file before collecting benefits on his/her record, but the former spouse would have to be eligible to collect their own benefit and they must have been divorced for two years.

### **Am I entitled to benefits when my spouse dies?**

Yes. If you're age 60 or older (50 or older if disabled), you're eligible. If taken at FRA, you're eligible for 100% of your spouse's benefit amount at the time of death. If taken early, the benefit will be reduced to no less than 71.5% of your spouse's benefit amount. Family earned income limits apply.

### **Can I claim a survivor benefit from my spouse if I remarry?**

If you remarry at age 60 or later, you may be eligible for survivor benefits based on your previous spouse's record. If you remarry before age 60 (50 if disabled), you're not entitled to benefits based on your previous spouse's record. However, if the remarriage ends, you may once again become entitled to survivor benefits based on your first spouse's record.

### **Are my children entitled to my benefits?**

Children under age 18 (19 if in high school full time) may be eligible for up to 50% of your retirement benefits (75% upon your death). If a child is permanently disabled before age 22, he or she can collect these benefits at any age. In either case, the child must be unmarried. Family earnings limits apply.

### **Will I automatically be enrolled in Medicare when I collect benefits?**

Enrollment in Medicare Part A and Part B is automatic for those 65 and older who receive Social Security benefits. However, those who aren't receiving Social Security benefits must apply on their own. Late enrollment may result in delayed coverage or costly penalties. Visit [medicare.gov](https://www.medicare.gov) to learn more.

# Notes

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# Quick reference guide

Use this handy-dandy cheat sheet for reference.

## Age to receive 100% of monthly benefits<sup>4</sup>

Year of Birth	Full Retirement Age (FRA)
Before 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

<sup>4</sup>“Starting Your Retirement Benefits Early,” Social Security Administration, accessed November 2024

## Increase for delayed retirement<sup>5</sup>

Year of Birth	Your Rate of Increase
1943 and later	8%

<sup>5</sup>“Retirement Benefits,” Social Security Administration, November 2024

## 2025 monthly benefits<sup>3</sup>

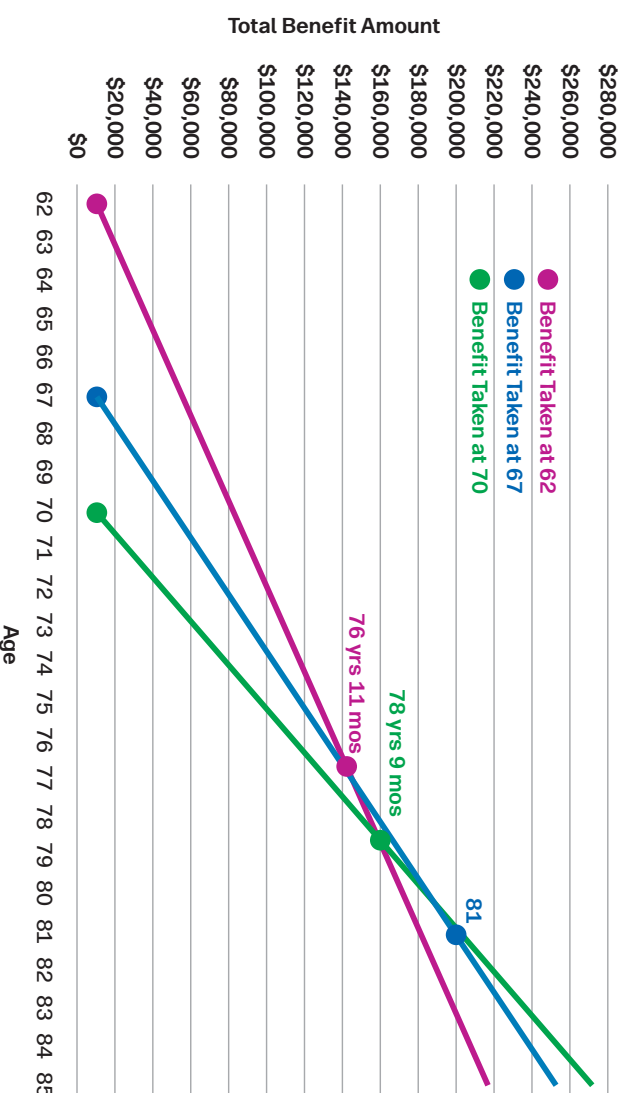
Average for Retired Worker	\$1,976
Average for Retired Couple	\$3,089
Maximum (at FRA)	\$4,018
Maximum at Age 70 in 2025 <sup>14</sup>	\$5,108

<sup>13</sup>“Fact Sheet: 2025 Social Security Changes,” Social Security Administration, 2024

<sup>14</sup>“Workers with Maximum-Taxable Earnings,” Social Security Administration, 2024

## Hypothetical break-even ages: example for a single, never-married worker

Filing for benefits at the earliest possible age, 62, gets you your benefits earlier, but at a reduced rate. Waiting beyond FRA will increase lifetime benefits for recipients who live into their 70s, 80s, and beyond.



Calculations assume a PLA of \$1,000 and a FRA of 66. This example is hypothetical and does not guarantee or predict an actual situation. Totals do not include cost of living adjustments. Example illustrates \$725/mo. at age 62; \$1,000/mo at 66; \$1,280/mo. at 70. Chart derived using information provided by the Social Security Administration, “Retirement Planner: Delayed Retirement Credits” and “Retirement Planner: Can You Take Your Benefits Before Full Retirement Age,” 2019.

## Benefits taken at age 62<sup>4</sup>

FRA	Monthly Reduced Benefit	A \$1,000 Benefit Would Become
66	25%	\$750
67	30%	\$700

Percentages are approximate due to rounding.

<sup>4</sup>“Starting Your Retirement Benefits Early,” Social Security Administration, accessed November 2024

## Life expectancy for those who reach age 65<sup>8</sup>

Male	Female	Adults Age 65 Today
50% chance of living to age 84.3 <sup>8</sup>	50% chance of living to age 86.9 <sup>8</sup>	1 out of 3 will live to at least 90 <sup>9</sup> 1 out of 7 will live to at least 95 <sup>9</sup>

<sup>8</sup>“Retirement & Survivors Benefits: Life Expectancy Calculator,” Social Security Administration, accessed November 2024

<sup>9</sup>“When to Start Receiving Retirement Benefits,” Social Security Administration, 2024



### Cost-of-living adjustments (COLAs)<sup>16</sup>

Year Implemented	COLA
2020	1.6%
2021	1.3%
2022	5.9%
2023	8.7%
2024	3.2%
2025	2.5%

<sup>16</sup> "2025 Social Security Changes Fact Sheet," Social Security Administration, 2024

### Windfall elimination provision (WEP)<sup>17</sup>

Years of Substantial SS Earnings	Adjustment
30 or more	90%
29	85%
28	80%
27	75%
26	70%
25	65%
24	60%
23	55%
22	50%
21	45%
20 or fewer	40%

<sup>17</sup> "Windfall Elimination Provision," Social Security Administration, 2024

### Provisional income tax on Social Security benefits<sup>15</sup>

Income Amount	FRA
File individual tax return and combined income* is \$25,000-\$34,000	Up to 50% of benefits may be taxable
File individual tax return and combined income* is more than \$34,000	Up to 85% of benefits may be taxable
File joint tax return and combined income* is \$32,000-\$44,000	Up to 50% of benefits may be taxable
File joint tax return and combined income* is more than \$44,000	Up to 85% of benefits may be taxable

\*The Social Security Administration defines your "combined income" as your adjusted gross income + nontaxable interest + ½ of your Social Security benefits.

<sup>15</sup> "Retirement Benefits," Social Security Administration, 2024

### Working in Retirement (2025 Earned Income Limits)<sup>10</sup>

<b>Under FRA</b> – \$1 of benefits withheld for every \$2 in earnings above the limit for years prior to reaching FRA	\$23,400 per year
<b>Individual reaches FRA in 2025</b> – \$1 of benefits withheld for every \$3 in earnings above the limit for months prior to reaching FRA	\$62,160 per year
<b>Month individuals reached FRA and beyond</b> – Reduction no longer applies	Unlimited

<sup>10</sup> "Fact Sheet: 2025 Social Security Changes," Social Security Administration, 2024

### Who is entitled to your benefits once you're eligible<sup>18,19</sup>

Beneficiary	Eligibility	Benefit*
<b>Spouse</b>	<ul style="list-style-type: none"> <li>62+</li> <li>Any age if caring for your child, who is also receiving benefits</li> <li>60+ (50+ if disabled) upon your passing</li> </ul>	<ul style="list-style-type: none"> <li>Can receive 50% of your full benefit at FRA; reduced if taken before FRA<sup>18</sup></li> <li>Upon your passing, surviving spouse can receive 100% of your benefit at FRA; no less than 71.5% if taken earlier</li> </ul>
<b>Child</b>	<ul style="list-style-type: none"> <li>Under 18 (19 if in high school full time)</li> <li>Any age if disabled before age 22</li> <li>Currently unmarried</li> </ul>	<ul style="list-style-type: none"> <li>Can receive 50% of your full benefit<sup>18</sup></li> <li>Upon your passing, surviving children can receive 75% of your benefit</li> </ul>
<b>Ex-spouse</b>	<ul style="list-style-type: none"> <li>Age 62+</li> <li>Must have been married to you for at least 10 years and divorced for two years</li> <li>Currently unmarried</li> <li>May be remarried at 60+ (50+ if disabled) upon your passing</li> </ul>	<ul style="list-style-type: none"> <li>Can receive 50% of your full benefit at FRA<sup>18</sup>; reduced if taken before FRA, even if you haven't filed, but you have to be eligible to collect a benefit</li> <li>Entitled to same survivor benefits as current spouse</li> </ul>

\*Earnings limits, family limits, and Windfall Elimination Provisions apply.

<sup>18</sup> "Planning For Your Survivors," Social Security Administration, accessed November 2024

<sup>19</sup> "Understanding the Benefits," Social Security Administration, 2024

# Notes

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# Glossary of common terms

For a more complete glossary and to learn more visit [ssa.gov/agency/glossary](https://ssa.gov/agency/glossary).

## **Cost-of-living adjustment (COLA)**

The Social Security Administration adjusts monthly benefits periodically to ensure that the purchasing power of benefits isn't eroded by inflation. The COLA is based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

## **Delayed retirement credits (DRC)**

Individual Social Security benefits are increased by a percentage (depending on birthdate) if you delay retirement beyond your FRA. The benefit increase stops at age 70, even if you continue to delay claiming.

## **FICA tax**

This is the payroll tax used to fund Social Security. It's collected by authority of the Federal Insurance Contributions Act (FICA).

## **Full retirement age (FRA)**

This is the age at which a person becomes entitled to unreduced (full) Social Security benefits. Those born between 1943-1954 have reached their FRA when they turned 66 years old. The FRA will gradually increase for those born after 1954, eventually hitting age 67 for those born in 1960 or later.

## **Primary insurance amount (PIA)**


This is the benefit amount a worker would receive if he or she elects receiving Social Security benefits at FRA. Retire before FRA and the PIA is reduced; delay retirement and the PIA increases.

## **Windfall elimination provision (WEP)**

Some federal employees and employees of state or local government agencies may be eligible for pensions that are based on earnings not covered by Social Security. The WEP may affect how Social Security calculates your retirement benefits. If you work for an employer that doesn't withhold Social Security taxes, any pension you receive may reduce your benefits.

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