

Social Security FAQ

How much can I expect to get in Social Security benefits?

The amount of benefits to which you are entitled under any Social Security program is not related to financial need (except for SSI -- Supplemental Security Income), but is based on the income you have earned through years of working, through jobs and self-employment. Social Security keeps a record of these earnings over your working lifetime and pays benefits based on the average amount earned.

Your Social Security retirement benefits will vary depending on whether you claim them before or after your full retirement age (65-67, depending on the year you were born -- see "When can I start collecting Social Security benefits?," below). The longer you wait to start receiving payments, the higher your benefit amount will be. However, it's not always better to wait until your full retirement age to claim your Social Security benefits.



Who is eligible to collect Social Security benefits?

The specific eligibility requirements for Social Security benefits vary depending on the type of benefits, the age of the person filing the claim, and, if you are claiming as a dependent or survivor, the age of the worker.

There is one general requirement, however, that applies to all Social Security programs except for SSI (Supplemental Security Income): The worker on whose earnings record the benefit is to be paid must have worked in "covered employment" for a sufficient number of years -- that is, earned enough of what Social Security calls work credits -- by the time he or she claims retirement benefits, becomes disabled, or dies. This usually means a total of at least ten years of work.

For Social Security retirement benefits, you must be between the ages of 62 and 70 to start collecting benefits.

To check on your eligibility, see Social Security: Checking Your Earnings and Benefits or call the Social Security Administration at 800-772-1213.

When can I start collecting Social Security retirement benefits?

The Social Security Administration used to consider 65 to be full retirement age for the retirement benefit. Benefits amounts were calculated on the assumption that most workers will stop working full time and will claim retirement benefits when they reach age 65.

Now that people are generally living longer, Social Security's rules about what is considered full retirement age are changing. Age 65 is still considered full retirement age for anyone born before 1938. But full retirement age gradually increases from age 65 to 67 for people born in 1938 or later. For anyone born after 1960, the full retirement age is 67.

Year Born	Full Retirement Age
1938	65 years, 2 months
1939	65 years, 4 months
1940	65 years, 6 months
1941	65 years, 8 months
1942	65 years, 10 months
1943 - 1954	66 years
1955	66 years, 2 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years

The system does provide for early retirement at age 62, but also offers higher benefits for people who wait to make their claims after reaching full retirement age.

How are my Social Security benefit amounts calculated?

The calculations are complicated. The amount of any benefit is determined by a formula based on the average of your yearly reported earnings since you began working.

But to complicate matters further, Social Security computes your average earnings differently depending on your age. If you reached age 62 or became disabled on or before December 31, 1978, Social Security averages the actual dollar value of your total past earnings -- and bases the amount of your monthly benefits on that amount.

If you turn 62 or become disabled on or after January 1, 1979, Social Security divides your earnings into two categories: Earnings from before 1951 are credited with their actual dollar amount, up to a maximum of \$3,000 per year; and from 1951 on, yearly limits are placed on earnings credits, no matter how much you actually earned in those years.

Can I keep a job even after I start collecting retirement, dependents, or survivors benefits?

Yes, and many people do just that. People who are past full retirement age may work and earn any amount without losing any of their Social Security benefits.

But before you reach full retirement age, Social Security will subtract money from your benefit check if you exceed a certain amount of earned income for the year (\$14,160 in 2010). The limit applies only to earnings from work; it does not apply to income from such things as savings, investments, pensions, or rental property. In other words, earnings from these sources will not affect your Social Security benefits.

The Social Security Administration has added a special twist for the year in which you reach full retirement age. During the 12 months prior to your birthday, you will lose one dollar of benefits for every three dollars you earn over a set monthly limit (\$3,010 per month in 2008). After your birthday, you can earn any amount of money without losing benefits.

Can I collect more than one type of benefit at a time?

No. You may qualify for more than one type of Social Security benefit at a time, but you can collect just one. For example, you might be eligible for both retirement and disability, or you might be entitled to benefits based on your own retirement as well as on that of your retired spouse. You can collect whichever one of these benefits is higher, but not both.

Can I claim spousal benefits if I'm divorced?

You are eligible for dependents benefits if both you and your former spouse have reached age 62, your marriage lasted at least ten years, and you have been divorced for at least two years. This two-year waiting period does not apply if your former spouse was already collecting retirement benefits before the divorce. You can collect benefits as soon as your former spouse is eligible for retirement benefits. He or she does not actually have to be collecting those benefits for you to collect your dependents benefits.

If you are collecting dependents benefits on your former spouse's work record and then marry someone else, you lose your right to those benefits. You may, however, be eligible to collect dependents benefits based on your new spouse's work record. If you divorce again, you can return to collecting benefits on your first spouse's record, or on your second spouse's record if you were married for at least ten years the second time around.

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