

Information From Sabados Perry & Company 440.238.8890

Social Security Questions & Answers

How long do I need to work to become eligible for Social Security benefits?

As long as it takes for you to earn the required 40 credits. You receive one credit for each \$1,320 in earnings (2018 amount), up to a maximum of four credits per year.

How are my Social Security benefits calculated?

It is a complex calculation involving your highest 35 years of earnings. The Social Security Administration sends you an annual Social Security Statement which includes an estimate of your future retirement benefits based on your earnings record. There is an online calculator available at www.ssa.gov.

What happens to my benefits if I retire “early” or “late”?

If you start your benefits early, when you are between age 62 and your full retirement age, your benefit amount is reduced by the number of months younger than full retirement age you are at that time. For example, if your full retirement age is 67, your benefit reduction at age 62 would be about 30%, at age 63 about 25%, at age 64 about 20%, at age 65 about 13.3%, and at age 66 about 6.7%. On the other hand, if you continue working beyond your full retirement age, your benefit amount increases because of your additional earnings and the special credits you’ll receive for delaying your retirement.

What is my full retirement age?

For people born before 1938, the full retirement age is 65. But as a result of longer life expectancies, the Social Security law was changed to gradually increase the full retirement age until it reaches age 67. Check the following table to find out your full retirement age:

| Year of Birth | Full Retirement Age |
|----------------------|----------------------------|
| 1937 or earlier | 65 |
| 1938 | 65 and 2 months |
| 1939 | 65 and 4 months |
| 1940 | 65 and 6 months |

| | |
|----------------|------------------|
| 1941 | 65 and 8 months |
| 1942 | 65 and 10 months |
| 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 |

How much can I earn and still collect Social Security benefits?

It depends upon your age. If you are under full retirement age when you start collecting benefits, \$1 in benefits will be deducted for each \$2 you earn above the annual limit (\$17,040 in 2018). In the year you reach full retirement age, you'll have \$1 deducted for every \$3 you earn above a different limit (\$45,360 in 2018) – but only counting earnings before the month you reach full retirement age. Starting with the month you reach full retirement age, there is NO limit on your earnings. Furthermore, if you continue working while you're collecting Social Security benefits, it could mean a higher benefit for you in the future.

Where can I get more information?

Call the Social Security Administration at 800.772.1213 or visit their web site, www.ssa.gov.

If you have questions or comments on this article, contact us at 440.238.8890.