



Social Security: 5 Factors That Impact Your Benefit Amount

1. Social Security benefits are calculated based on your highest 35 earning years.

- For years that income is not earned, a zero is used in the benefit calculations. If you do not have 35 earning years, those zeros will lower the overall benefit. This can especially impact caregivers who leave work to provide full-time care.
- It can be worthwhile to extend working years, even with a part-time position so that fewer zeros will be calculated in the average.

2. Your benefit amount is impacted by the age at which you claim benefits.

- To receive your full benefit amount, you must wait until your Full Retirement Age (FRA) to claim. For those born in 1960 or later, your FRA is age 67.
- You can claim your benefit as early as age 62, but your benefit will be reduced, and that reduction is permanent. At age 62, the reduction in overall benefit amount is 30%.
- If you wait until after your FRA to claim your benefit, that amount will increase approximately 8% a year up to age 70.

3. If you are married, widowed, or divorced, you may be eligible for spousal or survivor benefits.


SPOUSAL BENEFIT

- You are eligible for a spousal benefit once you have been married for one continuous year. The benefit amount is equal to 50% of what your spouse would receive at their full retirement age. If your own benefit would be higher, you will not receive a spousal benefit.

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- Your spouse must file for their benefit first before you can apply for a spousal benefit. If you claim the spousal benefit before your own FRA, the reduction for claiming early still applies.
- If you have a benefit based on your own work record that would be lower than the spousal benefit amount, you can claim that benefit starting at age 62 and then switch to the spousal benefit at FRA or once eligible.

SURVIVOR BENEFIT

- Survivor benefit amount is equal to 100% of the benefit amount your spouse was receiving when they passed away. If your spouse waited past full retirement age to claim their benefit, those additional increases in the benefit amount will be included.
- If you and your spouse are both receiving benefit payments, you will not continue to receive both payments after your spouse passes away. You will receive whichever benefit amount is higher.
- Survivor benefit can be collected starting at age 60 (or age 50 if you have a disability), but the reduction in benefit amount still applies for not waiting until your FRA.

BENEFITS AS A DIVORCED SPOUSE

- You are eligible for a spousal benefit as an ex-spouse if the marriage lasted at least 10 years, the divorce occurred more than two years prior, and you are unmarried. The ex-spouse does not need to have already claimed their benefit for you to apply.
- You are eligible for a survivor benefit as an ex-spouse if you were married for a minimum of 9 months and did not remarry before age 60 (or age 50 if you have a disability).

4. Earning income while receiving Social Security benefits may affect your benefit.

- If you have reached FRA, there is no deduction in your benefit amount no matter how much you earn.
- If you receive benefits before your FRA and earnings exceed the earnings limit (which in 2023 is \$21,240), Social Security will withhold \$1 from benefit payments for every \$2 earned.

- Once at full retirement age the earnings limit no longer applies, and benefits increase to make up for the previous deductions.

5. Medicare premiums are automatically deducted from your Social Security benefit.

- The amount of these premium deductions depends on your income.
- You need to take this deduction into account when planning for how much Social Security income you will actually receive.
- For more information about Medicare, read WISER's *Medicare Basics* fact sheet at wiserwomen.org.

Additional Resources

- Sign-up for your online Social Security account to access your statement and other important benefit information: ssa.gov/myaccount
- Social Security Benefit Center: ssa.gov/retirement
- Social Security Benefit Calculators: ssa.gov/benefits/calculators