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# The Social Security Standard

## Your Contributions Help Millions

*for a lifetime of protection*



Seeing taxes taken out of your paycheck can be confusing when you get your first paycheck. But understanding how important your contribution is can help. Your taxes are helping millions of Americans — wounded warriors, the chronically ill, and people with disabilities — as well as protecting you and your family for life. You can take pride in knowing you're making an important impact with each paycheck.

By law, employers must withhold Social Security taxes from a worker's paycheck. While often referred to as "Social Security taxes" on an employee's pay statement, sometimes the deduction is labeled as "FICA" which stands for Federal Insurance Contributions Act, a reference to the original Social

Security Act. In some cases, you will see "OASDI" which stands for Old Age, Survivors, and Disability Insurance.

The taxes you pay now translate to a lifetime of protection — for retirement in old age or in the event of disability. And if you die, your family (or future family) may be able to receive survivors benefits based on your work as well.

Because you may be a long way from retirement, you might have a tough time seeing the value of benefit payments that could be many decades in the future. But keep in mind that the Social Security taxes you're paying can provide valuable disability or survivors benefits now in the event the unexpected happens. Studies show that of today's 20-year-olds, about one in four will become disabled, and about one in eight will die before reaching retirement.

If you'd like to learn a little more about Social Security and exactly what you're building up for yourself by paying Social Security taxes, take a look at our

online booklet, *How You Earn Credits*, at [www.socialsecurity.gov/pubs/10072.html](http://www.socialsecurity.gov/pubs/10072.html).

If you have a friend who lost a parent when they were a child, they probably got Social Security survivors benefits. Social Security helps by providing income for the families of workers who die. In fact, 98 of every 100 children could get benefits if a working parent dies. And Social Security pays more benefits to children than any other federal program. You can learn more at [www.ssa.gov/benefits/survivors/](http://www.ssa.gov/benefits/survivors/).

Do you prefer videos to reading? Check out the webinar, "Social Security 101: What's in it for me?" The webinar explains what you need to know about Social Security. You can find it at [www.socialsecurity.gov/multimedia/webinars/social\\_security\\_101.html](http://www.socialsecurity.gov/multimedia/webinars/social_security_101.html) as well as on YouTube at <http://www.youtube.com/watch?v=5hkLaBiavqQ>.

Social Security is with you

through life's journey. You can learn more at <http://www.socialsecurity.gov>.

## WHEN IS A GOOD TIME TO START RECEIVING SOCIAL SECURITY BENEFITS?



After a lifetime of working, you deserve a comfortable retirement. For over 80 years, Social Security has been helping people shape their future, assisting them with a variety of benefits. It's up to you as to when you can start retirement benefits. You could start them a little earlier or wait until your "full retirement age," or delay retirement to get extra money each month. There are benefits to either decision.

Full retirement age refers to the age when a person can receive their Social Security benefits without any reduction, even if they are still working part or full time. In other words, you don't actually need to stop working to get your full benefits.

For people who reach age 62 in 2018 (i.e., those born between January 2, 1956 and January 1, 1957), full retirement age is 66

and four months. Full retirement age was age 65 for many years. However, due to a law passed by Congress in 1983, it has been gradually increasing, beginning with people born in 1938 or later, until it reaches 67 for everybody born after 1959.

You can learn more about the full retirement age and find out how to look up your own at <http://www.socialsecurity.gov/planners/retire/retirechart.html>.

You can start receiving Social Security benefits as early as age 62 or any time after that. The longer you wait, the higher your monthly benefit will be, although it stops increasing at age 70. Your monthly benefits will be reduced permanently if you start them any time before your full retirement age. For example, if you start receiving benefits in 2018 at age 62, your monthly benefit amount will be reduced permanently by nearly 27 percent. On the other hand, if you wait to start receiving your benefits until after your full retirement age, then your monthly benefit will be higher. The amount of this increase is two-thirds of one percent for each month — or eight percent for each year — that you delay receiving them until you reach age 70. The choices you make may affect any benefit your spouse or children can receive on your record, too. If you receive benefits early, it may reduce their potential benefit, as well as yours. You need to be as informed as possible when making any decision about

receiving Social Security benefits. Read the publication *When to Start Receiving Retirement Benefits* at <http://www.socialsecurity.gov/pubs/EN-05-10147.pdf>.

When to start receiving retirement benefits is a personal decision based on your own situation. Check out our *Retirement Checklist* at <http://www.socialsecurity.gov/pubs/EN-05-10377.pdf> to learn about additional factors to consider as you think about when to start receiving your retirement benefits.

If you decide to receive benefits before you reach full retirement age, you should also understand how continuing to work can affect your benefits. Social Security may withhold or reduce your benefits if your annual earnings exceed a certain amount. However, for every month benefits are withheld, it may increase your future benefits. That's because at your full retirement age Social Security will recalculate your benefit amount to give you credit for the months in which benefits were reduced or withheld due to your excess earnings. You can learn more at <http://www.socialsecurity.gov/planners/retire/whileworking.html>. Social Security's mission is to secure your today and tomorrow. Learn more by visiting our Retirement Planner at <http://www.socialsecurity.gov/planners/retire>.

### Readers Write

#### RETIREMENT

**Q.** *A few months after I started receiving my Social Security retirement benefit, my former employer offered to take me back. It's a great offer. Can I withdraw my retirement claim and reapply later to increase my benefit amount?*

**A.** Social Security understands that unexpected changes may occur after you begin receiving retirement benefits. If you change your mind, you may be able to withdraw your Social Security claim and re-apply at a future date. This withdrawal must occur within 12 months of your original retirement, and you are limited to one withdrawal during your lifetime. Keep in mind, you must repay all of the benefits you received. You can learn more about the one-year period when you can postpone your

benefits at [www.socialsecurity.gov/retire2/withdrawal.htm](http://www.socialsecurity.gov/retire2/withdrawal.htm).

**Q.** *I went back to work after retiring, but now the company I work for is downsizing. I'll be receiving unemployment benefits in a few weeks. Will this affect my retirement benefits?*

**A.** When it comes to retirement benefits, Social Security does not count unemployment as earnings, so your retirement benefits will not be affected. However, any income you receive from Social Security may reduce your unemployment benefits. Contact your state unemployment office for information on how your state applies the reduction to your unemployment compensation.

#### DISABILITY

**Q.** *Why is there a five-month waiting period for Social Security disability benefits?*

**A.** The law states Social Security disability benefits can be paid only after you have been disabled continuously throughout a period of five full calendar months. Social Security disability benefits begin with the sixth full month after the date your disability began. You are not able to receive benefits for any month during the waiting period. Learn more at our website: [www.socialsecurity.gov/disability](http://www.socialsecurity.gov/disability).

**Q.** *I currently receive Social Security disability benefits. I now have a second serious disability. Can my monthly benefit amount be increased?*

**A.** No. Your Social Security disability benefit amount is based on the amount of your lifetime earnings before your disability began and not the number of disabling conditions or illnesses you may have. For more information, go to [www.socialsecurity.gov/disability](http://www.socialsecurity.gov/disability).

## FIVE FACTS YOU MIGHT NOT KNOW ABOUT SOCIAL SECURITY

Most people know at least something about Social Security. For decades, Social Security has been providing valuable information and tools to help you build financial security. Here's your opportunity to find out a little more, with some lesser-known facts about Social Security.

### 1. Social Security pays benefits to children.

Social Security pays benefits to unmarried children whose parents are deceased, disabled, or retired. See *Benefits for Children* at [www.socialsecurity.gov/pubs/E N-05-10085.pdf](http://www.socialsecurity.gov/pubs/E N-05-10085.pdf) for the specific requirements.

### 2. Social Security can pay benefits to parents.

Most people know that when a worker dies, we can pay benefits to surviving spouses and children.

What you may not know is that under certain circumstances, we can pay benefits to a surviving parent. Read our Fact Sheet *Parent's Benefits*, available at [www.socialsecurity.gov/pubs/E N-05-10036.pdf](http://www.socialsecurity.gov/pubs/E N-05-10036.pdf), for the details.

### 3. Widows' and widowers' payments can continue if remarriage occurs after age 60.

Remarriage ends survivor's benefits when it occurs before age 60, but benefits can continue for marriages after age 60.

### 4. If a spouse draws reduced retirement benefits before starting spouse's benefits (his or her spouse is younger), the spouse will not receive 50 percent of the worker's benefit amount.

Your full spouse's benefit could be up to 50 percent of your spouse's full retirement age amount if you are full retirement age when you take it. If you qualify for your own retirement benefit and a spouse's benefit, we always pay your own benefit first. (For example, you are eligible for \$400 from your own retirement and \$150 as a spouse for a total of \$550.) The reduction rates for retirement and spouses benefits are different. If your spouse is younger, you cannot receive benefits unless he or she is receiving benefits (except for divorced spouses). If you took your reduced retirement first while waiting for your spouse to reach retirement age, when you add spouse's benefits later, your own retirement portion remains reduced which causes the total retirement and spouses benefit together to total less than 50 percent of the worker's amount.

You can find out more at [www.socialsecurity.gov/OACT/quickcalc/spouse.html](http://www.socialsecurity.gov/OACT/quickcalc/spouse.html).

### 5. If your spouse's retirement benefit is higher than your retirement benefit, and he or she chooses to take reduced benefits and dies first, your survivor benefit will be reduced, but may be higher than what your spouse received.

If the deceased worker started receiving reduced retirement benefits before their full retirement age, a special rule called the retirement insurance benefit limit may apply to the surviving spouse.

The retirement insurance benefit limit is the maximum survivor benefit you may receive. Generally, the limit is the **higher of**:

- The reduced monthly retirement benefit to which the deceased spouse would have been entitled if they had lived, **or**
- 82.5 percent of the unreduced deceased spouse's monthly benefit if they had started receiving benefits at their full retirement age (rather than choosing to receive a reduced retirement benefit early).

Social Security helps secure your financial future by providing the facts you need to make life's important decisions.