

# TOP 10

*Social Security FAQs*





Social Security is a multifaceted system with plenty of rules, addendums, and new changes every year. To qualify for retirement benefits, you must earn a minimum of 40 Social Security credits. Credits are earned through working years and your contribution to Social Security taxes paid on those wages. As of January 1, 2023, workers receive one credit for each \$1,640 of earnings with a maximum of four credits per year.<sup>1</sup> So what does all of this mean for you, and how much in benefits can you expect to receive? Explore these common Social Security FAQs for answers.

## 1. Is Social Security going away?

The short answer is, not in your lifetime. “Baby Boomers” and the “Greatest Generation” likely won’t have to worry about Social Security becoming depleted or policies changing so rapidly that they lose their benefits. Not only that, Social Security is such an important component of the American Dream that it would be unlikely Congress would simply let the system atrophy without creating another system to replace it.

## 2. How much do I pay in taxes for the Social Security program?

In 2022, workers paid 6.2% of their wages into Social Security on up to \$147,000 of their income. This figure increases to \$160,200 in 2023.<sup>2</sup> Your employer also contributes another 6.2%, but self-employed workers have to pay both portions or 12.4%.<sup>3</sup>

## 3. How far in advance can I apply for benefits?

You can apply up to four months before you want your retirement benefits to start. For example, if you turn 62 on May 1st, you can start your benefits in May if you applied in January. You may sign up for Medicare three months before your 65th birthday. Applicants have to be 62 for an entire month in order to be eligible to receive benefits, but if you were born on the first or second day of the month, you meet this requirement in the month of your 62nd birthday. If you were born on any other day of the month, you do not meet this requirement until the following month.<sup>4</sup>

## 4. Do the same rules apply for all types of employment?

No. If you’re employed in any of the below categories, you will be subject to different claimant policies.

- Farm laborers
- Government employees
- Military
- Nonprofit employees
- Household employees

<sup>1</sup> How You Earn Credits 2023 [www.ssa.gov/pubs/EN-05-10072.pdf](https://www.ssa.gov/pubs/EN-05-10072.pdf)

<sup>2,3</sup> 2023 Social Security Changes - COLA Fact Sheet [www.ssa.gov/news/press/factsheets/colafacts2023.pdf](https://www.ssa.gov/news/press/factsheets/colafacts2023.pdf)

<sup>4</sup> How far in advance can I apply for Social Security retirement benefits? [faq.ssa.gov/en-US/Topic/article/KA-02390](https://faq.ssa.gov/en-US/Topic/article/KA-02390)



## 5. Do I have to take benefits at age 70?

You're automatically eligible for benefits at age 70, but you still have to apply in order to receive them. You may also still continue to work at that point if you wish, though there is no reason not to claim your benefits as well at that point.

## 6. What is the max benefit amount?

It will be different for every person based on their 35 highest-earning years and the age they are when they retire. According to the SSA, "If you retire at full retirement age in 2023, your maximum benefit would be \$3,627. However, if you retire at age 62 in 2023, your maximum benefit would be \$2,572. If you retire at age 70 in 2023, your maximum benefit would be \$4,555.<sup>5</sup> Because these are ballpark figures, call our office to discuss your SSI application and the benefit amount you can expect before you submit your application.

## 7. Can I work and get Social Security benefits at the same time?

Yes, you can, but with caveats. Firstly, if you are younger than full retirement age and you make more than the yearly earnings limit (\$21,240 in 2023), your monthly benefit will be reduced by \$1 for every \$2 you make over that amount. Once you reach your full retirement age, or "FRA", your monthly benefits can't be reduced no matter how much you make.<sup>6</sup>

## 8. If I work beyond full retirement age, do I continue to pay taxes into SSI?

If you earn wages either through self-employment or a full-time or part-time job, you must pay taxes to Social Security. It doesn't matter if you're already receiving benefits, your eligibility level, or your age.<sup>7</sup>

## 9. What if I no longer live in the United States? Can I still collect benefits?

In general, yes, but expat rules can get complicated depending on your citizenship, residency, and the relationship between the United States and your host country. It might be best to speak with someone from our office to hammer out the details of your retirement income approach before you go anywhere or make any changes to your citizenship status. As of 2023, the United States government will not send funds to retirees in the following countries:<sup>8</sup>

- Cuba
- North Korea
- Azerbaijan
- Belarus
- Kazakhstan
- Kyrgyzstan
- Moldova
- Tajikistan
- Turkmenistan
- Uzbekistan

## 10. When should I take my Social Security benefits?

It's the question on everyone's mind. The truth is, it depends entirely on you, what you're able to afford, and what goals you have for your retirement. More than one-third of Americans don't have a retirement account.<sup>9</sup> Our office can help you craft a customized retirement income strategy that takes into account common issues such as:

- Varying tax rates on Social Security income
- Capital gains and IRA withdrawals
- Health issues
- Life expectancy in your family history

## Schedule Your Complimentary Social Security Assessment

Your retirement is too important to leave to chance. Bridge the gap between what you know and what you don't by calling our office for an initial appointment. We'll help you determine where your risk lies, where you might be leaving money on the table, and ways to help maximize your benefits to better achieve your personal retirement goals.

<sup>5</sup> What is the maximum Social Security retirement benefit payable? [faq.ssa.gov/en-US/Topic/article/KA-01897](https://www.ssa.gov/en-US/Topic/article/KA-01897)

<sup>6</sup> What happens if I work and get Social Security retirement benefits? [faq.ssa.gov/en-US/Topic/article/KA-01921](https://www.ssa.gov/en-US/Topic/article/KA-01921)

<sup>7</sup> Must I pay Social Security taxes on my earnings after full retirement age? [faq.ssa.gov/en-US/Topic/article/KA-02525](https://www.ssa.gov/en-US/Topic/article/KA-02525)

<sup>8</sup> Your Payments While You Are Outside the United States [www.ssa.gov/pubs/EN-05-10137.pdf](https://www.ssa.gov/pubs/EN-05-10137.pdf)

<sup>9</sup> Survey: More Than Half Of American Workers Feel Behind On Retirement Savings | Bankrate. [www.bankrate.com/retirement/retirement-savings-survey-november-2021/#:~:text=before%20the%20pandemic.,More%20than%20one%2Dthird%20of%20Americans%20don't%20have%20a,IRA%2C%20According%20to%20the%20survey](https://www.bankrate.com/retirement/retirement-savings-survey-november-2021/#:~:text=before%20the%20pandemic.,More%20than%20one%2Dthird%20of%20Americans%20don't%20have%20a,IRA%2C%20According%20to%20the%20survey)



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