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# How Work Affects Your Benefits

[SocialSecurity.gov](https://www.SocialSecurity.gov)



You can get Social Security retirement or survivors benefits and work at the same time. But, if you're younger than full retirement age, and earn more than certain amounts, your benefits will be reduced. The amount that your benefits are reduced, however, isn't truly lost. Your benefit will increase at your full retirement age to account for benefits withheld due to earlier earnings. (Spouses and survivors, who receive benefits because they have minor or disabled children in their care, don't receive increased benefits at full retirement age if benefits were withheld because of work.)

**NOTE:** *Different rules apply if you receive Social Security disability benefits or Supplemental Security Income payments. Then you must report all earnings to Social Security. Also, different rules apply if you work outside the United States. Contact us if you're working (or plan to work) outside the country.*

## How much can you earn and still get benefits?

**If you were born January 2, 1958, through January 1, 1959,** then your full retirement age for retirement insurance benefits is 66 and 8 months. *If you work, and are full retirement age or older, you may keep all of your benefits, no matter how much you earn.* If you're younger than full retirement age, there is a limit to how much you can earn and still receive full

Social Security benefits. If you're younger than full retirement age during all of 2020, we must deduct \$1 from your benefits for each \$2 you earn above \$18,240.

**If you reach full retirement age during 2020**, we must deduct \$1 from your benefits for each \$3 you earn above \$48,600 until the month you reach full retirement age.

### **These examples show how the rules would affect you:**

Let's say that you file for Social Security benefits at age 62 in January 2020 and your payment will be \$600 per month (\$7,200 for the year). During 2020, you plan to work and earn \$23,200 (\$4,960 above the \$18,240 limit). We would withhold \$2,480 of your Social Security benefits (\$1 for every \$2 you earn over the limit). To do this, we would withhold all benefit payments from January 2020 through May 2020. Beginning in June 2020, you would receive your \$600 benefit and this amount would be paid to you each month for the remainder of the year. In 2021, we would pay you the additional \$520 we withheld in May 2020.

Or, let's say you weren't yet full retirement age at the beginning of the year, but reach it in November 2020. You expect to earn \$49,620 in the 10 months from January through October. During this period, we would withhold \$340 (\$1 for every \$3 you earn above the \$48,600 limit). To do this, we would withhold

your first check of the year. Beginning in February 2020, you would receive your \$600 benefit, and this amount would be paid to you each month for the remainder of the year. In 2021, we would pay you the remaining \$260 we withheld in January 2020.

## Your earnings and your benefits — how much will you get?

The following table gives you an idea of how much you'll receive in Social Security benefits for the year 2020, based on your monthly benefits, and estimated earnings.

<b>For people younger than full retirement age during the whole year</b>		
<b><i>If your monthly Social Security benefit is</i></b>	<b><i>And you earn</i></b>	<b><i>You'll receive yearly benefits of</i></b>
\$700	\$18,240 or less	\$8,400
\$700	\$20,000	\$7,520
\$700	\$22,000	\$6,520
\$900	\$18,240 or less	\$10,800
\$900	\$20,000	\$9,920
\$900	\$22,000	\$8,920
\$1,100	\$18,240 or less	\$13,200
\$1,100	\$20,000	\$12,320
\$1,100	\$22,000	\$11,320

## What income counts...and when do we count it?

If you work for someone else, only your wages count toward Social Security's earnings limits. If you're self-employed, we count only your net earnings from self-employment. For the earnings limits, we don't count income such as other government benefits, investment earnings, interest, pensions, annuities, and capital gains. We do count an employee's contribution to a pension or retirement plan, however, if the contribution amount is included in the employee's gross wages.

If you work for wages, income counts when it's earned, not when it's paid. If you have income that you earned in one year, but the payment was made in the following year, it shouldn't be counted as earnings for the year you receive it. Some examples are accumulated sick or vacation pay and bonuses.

If you're self-employed, income counts when you receive it — not when you earn it — unless it's paid in a year after you become entitled to Social Security and earned before you became entitled.

## Special rule for the first year you retire

Sometimes people who retire in mid-year already have earned more than the annual earnings limit. That's why there is a special rule that applies to earnings for one year,

usually the first year of retirement. Under this rule, you can get a full Social Security check for any whole month you're retired, regardless of your yearly earnings.

In 2020, a person younger than full retirement age for the entire year is considered retired if monthly earnings are \$1,520 or less.

For example, John Smith retires at age 62 on October 30, 2020. He will earn \$45,000 through October. He takes a part-time job beginning in November earning \$500 per month. Although his earnings for the year substantially exceed the 2020 annual limit (\$18,240), he will receive a Social Security payment for November and December. This is because his earnings in those months are \$1,520 or less, the monthly limit for people younger than full retirement age. If Mr. Smith earns more than \$1,520 in either November or December, he won't receive a benefit for that month. Beginning in 2021, only the annual limit will apply to him.

Also, if you're self-employed, we consider how much work you do in your business to determine whether you're retired. One way is by looking at the amount of time that you spend working. In general, if you work more than 45 hours a month in self-employment, you're not retired; if you work less than 15 hours a month, you're retired. If you work between 15 and 45 hours a month, you won't be considered retired if it's in a job that requires a lot of skill, or you're managing a sizable business.

## Should you report changes in your earnings?

We adjust the amount of your Social Security benefits in 2020 based on what you told us you would earn in 2020. If you think your earnings for 2020 will be different from what you originally told us, let us know right away.

If other family members get benefits based on your work, your earnings from work you do after you start getting retirement benefits could reduce their benefits, too. If your spouse and children get benefits as family members, however, earnings from their own work affect only their own benefits.

If you need help in figuring your earnings, contact us. When you call, have your Social Security number handy.

## Will you receive higher monthly benefits later if benefits are withheld because of work?

Yes. If some of your retirement benefits are withheld because of your earnings, your monthly benefit will increase starting at your full retirement age to take into account those months in which benefits were withheld.

As an example, let's say you claim retirement benefits upon turning 62 in 2020, and your payment is \$931 per month. Then, you return to work and have 12 months of benefits withheld.

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We would recalculate your benefit at your full retirement age of 66 and 8 months and pay you \$996 per month (in today's dollars). Or, maybe you earn so much between the ages of 62 and 66 and 8 months that all benefits in those years are withheld. In that case, we would pay you \$1,300 a month starting at age 66 and 8 months.

## Are there other ways that work can increase your benefits?

Yes. Each year we review the records for all Social Security recipients who work. If your latest year of earnings turns out to be one of your highest years, we refigure your benefit and pay you any increase due. This is an automatic process, and benefits are paid in December of the following year. For example, in December 2020, you should get an increase for your 2019 earnings if those earnings raised your benefit. The increase would be retroactive to January 2020.



## Contacting Social Security

The most convenient way to contact us from anywhere, on any device, is to visit [www.socialsecurity.gov](http://www.socialsecurity.gov). There are several things you can do online: apply for benefits; get useful information; find publications; and get answers to frequently asked questions.

When you open a *my* Social Security account, you have more capabilities. You can review your *Social Security Statement*, verify your earnings, and print a benefit verification letter. You can also change your direct deposit information, request a replacement Medicare card, request a replacement Social Security card (if you have no changes and your state participates), and get a replacement SSA-1099/1042S.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

A member of our staff can answer your call from 7 a.m. to 7 p.m., Monday through Friday, if you need to speak to a person. We ask for your patience during busy periods since you may experience a high rate of busy signals and longer hold times to speak to us. We look forward to serving you.

**Social Security Administration**

Publication No. 05-10069

ICN 467005 | Unit of Issue — HD (one hundred)

March 2020 (Recycle prior editions)

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Produced and published at U.S. taxpayer expense