



Job Tips for 50+ Workers

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FAQs About the Social Security Earnings Limits

Today, many people want to supplement their retirement and Social Security incomes by working. This FAQ sheet provides information on how employment earnings affect Social Security benefits.

Can I get full Social Security benefits if I work?

It depends.

- If you are full retirement age, you can work and earn as much as you want and keep all of your Social Security benefits.
- If you are younger than full retirement age, you may receive all your benefits as long as your earnings are under the limits in the chart below.
- The full retirement age will increase gradually each year until it reaches age 67 for people born in 1960 or later.

Your Age in 2011	Your earnings limit
Full retirement age or older	No limit on earnings
Younger than full retirement age	For every \$2 over the limit of \$14,160, \$1 is withheld from benefits
If you reach full retirement age in 2011	For every \$3 over the limit of \$37,680, \$1 is withheld from benefits until the month you reach full retirement age.

What is "full retirement age" for Social Security?*

- Born in or before 1937:** 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
- 1943-54:** 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

**if you were born on January 1 of any year, refer to the previous year.*

Will my wages be taxed?

Yes. All covered workers are subject to Social Security and Medicare Taxes (listed on your paycheck as "FICA" taxes), regardless of age.

Will I get any credit for these additional earnings?

You may be able to receive a higher benefit, because Social Security automatically re-computes the benefit amount after the additional earnings are credited to your record.

Do I need to notify Social Security if I earn more than the exempt annual amount for my age?

Yes. Promptly tell Social Security how much you expect to earn so the correct amount can be withheld. If you receive more benefits than you are entitled to by law, you will have to repay them. Also, there is a penalty if you do not notify Social Security of your expected income promptly. If your earnings are either lower or higher than you expected, or if you think your benefits are incorrect, be sure to notify Social Security. Remember, you are still required to file your income tax report by April 15 each year.

What counts as wages or earnings for Social Security?

In general, the Social Security Administration defines "earned income" as "income from wages or net earnings from self-employment." For example, earnings may include bonuses, commissions, and severance pay. Investment income, pensions, capital gains, and inheritances are not considered wages. Other types of payment made by an employer may be considered earnings under certain conditions.

If you have questions about whether your earnings count as wages for Social Security purposes, or whether to count your earnings in the year you did the work or in the year you received the pay, contact Social Security.

Will my earnings affect my Medicare benefits?

No. If you are age 65 or older, your right to hospital and medical insurance under Medicare is not affected by your earnings.

Will my earnings affect my total family benefits?

Yes. If you receive Social Security benefits as a retired worker, your total family benefits may be affected because of your earnings. This means that Social Security could withhold not only part (or all) of your Social Security checks but also those for members of your family. For more information about family members' benefits, contact Social Security.

How much Social Security will I get when I retire?

Three months before your birthday, Social Security sends you a statement that estimates your potential benefits. Remember, this is a statement of your earnings and an estimate of your benefits. After receiving your Social Security statement, check carefully to make sure Social Security's records of your earnings match your W-2 statements. It is important that Social Security has your correct earnings

information, because this affects how your benefit level is calculated. Any mistake in the record should be reported to Social Security immediately.

Social Security provides several calculators that can be used to estimate your potential benefit amounts using different retirement dates and levels of future earnings. The calculators show your retirement benefits, disability, and survivor benefit amounts. These calculators are available at <http://www.ssa.gov/planners/benefitcalculators.htm>

Where can I get more information about Social Security?

For more information about Social Security programs and services, to order publications, apply for benefits, or find an office near your home, visit www.ssa.gov or call toll-free, 800-772-1213 (for the deaf or hard-of-hearing, call the TTY number, toll-free, 800-325-0778). Social Security answers specific questions from 7 a.m. to 7 p.m. Monday through Friday, and provides information by automated phone service 24 hours a day.

