

# Social Security Planning

## 1. FRA or "Full Retirement Age"

<u>Year of Birth</u>	<u>Full Retirement Age</u>
1943 – 1954	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

## 2. Social Security Earnings Limitation

### A. Under FRA - "Full Retirement Age"

#### 1. Maximum wages allowed with no impact on Soc Sec benefits

**\$1,630 monthly / \$19,560 annually**

**Giveback – for every \$2 above the allowable max above the retiree gives back \$1**

**(Example - retiree earns \$29,560 which is \$10,000 over \$19,560  
retiree needs to give back \$5,000 )**

#### 2. Only earned wages counts toward the income limitation

#### 3. Pension/Investments/IRA distributions do NOT count toward the \$1,630 month

#### 4. 401k contributions do NOT reduce the income for the earnings limitation

### B. The year the retiree reaches FRA - "Full Retirement Age"

#### 1. Retiree can earn \$51,960 UNTIL the month they reach FRA - unlimited earnings their birthday month and beyond

**(Example – your birthday is April 15, 1956. Your FRA is 66 & 2 months, so on  
June 1, 2022, you will be at your FRA. You can earn \$51,960 from Jan 1, 2022 thru  
May 31, 2022 and, from June 1, 2022 forward, you can earn unlimited earnings and  
it will NOT impact your Soc Sec benefit.**

## 3. Set up a Social Security.gov online account

a. Go to [ssa.gov](https://ssa.gov) - Do NOT click on add EXTRA security - base security is very adequate

b. Can always add EXTRA security

- 4. Conduct a Social Security Analysis BEFORE applying for benefits**
  - a. Calculate what your benefits will be at different ages**
  - b. Determine WHEN you should collect social Security?**
  - c. Factors to consider:**
    - 1. Longevity in family**
    - 2. Current health situation**
    - 3. Can you use current investments to supplement income needs?**
    - 4. How much do you need to live on each month?**
    - 5. Consider deferring higher wage earners benefit?**
- 5. Claim Now – Claim More Later**
  - a. Retirees born on or before 1-1-1954 could qualify for EXTRA Social Security Retirement Benefits**
  - b. Consider claiming benefits under SPOUSES earnings rather than your own earnings record**
  - c. Complete a Social Security analysis to determine whether you qualify for EXTRA benefits.**
- 6. Widow Benefits**
  - a. Widows who have been collecting benefits under their deceased spouse's earnings record might qualify for EXTRA benefits under their own earnings records**
  - b. Consider collecting widow's benefits and deferring your own benefit under your earnings**
  - c. DELAYED RETIREMENT CREDITS grow your benefit by 8% - GUARANTEED**