

Top 25 Social Security Questions

Confused about when to claim or whether you're eligible for benefits? We have answers.

by: Stan Hinden | from: [AARP Bulletin](#) | December 1, 2010

[En español](#) | Here are the most frequently asked questions about Social Security that AARP has received from you.

1. I am about to turn 62 and plan to file for Social Security. How do I get started?

You should apply three months before you want to start collecting. [Sign up online](#) or call 1-800-772-1213. Here are some documents you may have to produce: your [Social Security](#) card or a record of the number; your birth certificate; proof of U.S. citizenship or lawful alien status; military discharge papers if you served before 1968; and last year's W-2 tax form or tax return if you're [self-employed](#).

2. How is my Social Security benefit calculated?

Benefits are based on the amount of money you earned during your lifetime – with an emphasis on the 35 years in which you earned the most. Plus, lower-paid workers get a bigger percentage of their preretirement income than higher-paid workers. In 2010, the average monthly benefit for retirees is \$1,172.

3. If I remarry, can I still collect Social Security benefits based on my deceased first husband's record?

You can — subject to several rules. In general, you cannot receive survivor benefits if you remarry before age 60 unless that marriage ends, too, whether by annulment, divorce or death of your new husband. If you remarry after age 60 (50 if disabled), you can still collect benefits on your former spouse's record. After you reach 62, you may get retirement benefits on the record of



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your new spouse if they are higher.

4. Why won't retirees get a cost-of-living adjustment for 2011? Many of us count on this for food, medicine and other bills.

COLAs are based on the consumer price index, which tracks inflation. Because inflation has been flat, according to the CPI, there will be no benefit increase — for the second year in a row. [AARP is calling on Congress](#) to provide beneficiaries with financial relief.

- [Social Security Benefits for an Ex-Spouse. Read](#)
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5. I am 56 and receive Social Security disability benefits. At what point will I switch to regular Social Security? Will the monthly amount change?

When you reach full retirement age, your disability benefits will automatically convert to retirement benefits. The amount will [remain the same](#).

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6. My friend died at 66. She worked full time and had not applied for benefits. What happens to the money she contributed to Social Security? Can her children claim benefits?

The money people contribute goes into a fund from which benefits are paid to eligible workers and their families. These include a widower, a surviving divorced husband, dependent parents, disabled children, and children if they have not aged out.

7. My husband and I are getting a divorce. He wants the settlement agreement to say I will not get his Social Security benefits. Can he do that?

No, he has no control over your future benefits. You can qualify for a [divorced spouse's benefits](#) if you were married at least 10 years, are now unmarried, are 62 or older, and if any benefit from your own work record would be less than the divorced spouse's benefit.

8. Cleaning out my mother's home after her death, we found Social Security checks from the 1980s. Can we cash them?

No. The checks are negotiable for only 12 months after issue.

9. My man and I have lived together for over seven years. If he dies, can I collect his Social Security benefits?

If your state recognizes your common-law marriage, then you'll likely be eligible for survivor benefits. But you'll have to provide evidence that includes sworn statements, mortgage or rent receipts, or insurance policies.

10. Do my Social Security contributions go into a personal retirement account for me and earn interest?

Although many people think so, the answer is no. Social Security operates under a pay-as-you-go system, which means that today's workers pay for current retirees and other beneficiaries. Workers pay 6.2 percent of their wages up to a cap of \$106,800; employers pay the same. The money that younger people contribute will pay for our benefits when we retire.

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11. How much money does the U.S. government owe to the Social Security trust fund, and will it be repaid?

To prepare for the boomers' retirement, Social Security has collected more in taxes than it pays in benefits. Surplus funds go into the trust fund and are invested in U.S.-guaranteed Treasury bonds. In 2009, the trust fund held \$2.5 trillion in bonds and earned 4.9 percent in interest. These bonds are just as real as U.S. Treasury bonds held by mutual funds or foreign banks. Ultimately, it's up to the American people to ensure the government keeps its promise to retirees, just as it would to other investors.

12. I have a pension from the Army. Will that affect my Social Security benefits?

It will not. You can get both your Social Security benefits and your military pension. If you served in the military before 1957, you did not pay Social Security taxes, but you will receive [special credit](#) for some of that service. Special credits also are available to people who served from 1957 to 1967 and from 1968 to 2001.

13. I didn't work enough to qualify for Social Security. My husband gets it, but he is ill and may not live much longer. Will I be able to collect benefits?

Yes, but your benefit will depend on your age and situation: If you are at full retirement age or older, you'll get 100 percent of your deceased husband's benefit. A widow or widower between 60 and full retirement age receives a [reduced benefit](#).

14. Is it true that some people are collecting Social Security benefits who never paid into the system?

Social Security is an earned benefit. In order to collect a retirement benefit, a worker must pay into the system for at least 10 years. In some cases, nonworking family members, such as a spouse, may be eligible for benefits based on the worker's record. Tough rules in place assure that only legal residents can collect Social Security benefits.

15. I filed for Chapter 13 bankruptcy after being laid off. Do Social Security benefits count as income in bankruptcy, or are they protected?

Your benefits are protected. Social Security is excluded from the calculation of disposable income when setting up a debtor repayment plan.

[What you should know about your benefits if your spouse dies. >>](#)

16. My husband died recently. Can I choose between my own benefit and that as a widow? Can I collect both?

Eligibility for a widow's benefit begins at age 60, or 50 if you are disabled. If you are full retirement age, your survivor benefit will be 100 percent of his benefit; if you take it early, the amount will be reduced. You can switch to your own benefit as early as 62. In any event, you can only get one benefit, whichever is higher.

17. I began drawing Social Security at age 62 in 2006, but I'm still working. Since I'm still paying Social Security taxes, will my benefits increase?

If your latest work years are among your highest-earning years, the SSA refigures your benefit and pays you any increase due. This is automatic, with new benefits starting in December of the following year.

18. My wife is 62 and collects Social Security based on her own work record. Can she receive spousal benefits based on my record when I retire in a few years?

If she is eligible for both benefits, yours and hers, Social Security will pay her own benefits first. If she is due additional benefits, she will get a combination of benefits equaling the higher spouse's benefit.

19. Why would changes in Social Security be considered as a way to help balance the federal budget?

Some policymakers say all spending, including Social Security, should be cut. Social Security has not contributed to the deficit. In fact, the trust fund is projected to reach \$4.3 trillion by 2023. [AARP believes that Social Security benefits](#) should not be targeted to reduce the deficit.

20. If I retire to a foreign country, can I have my Social Security benefits sent there?

If you are a U.S. citizen, you may receive your benefits in most foreign countries, usually by check or direct deposit. If you are not a U.S. citizen, the answer is more complicated, with certain rules applying to certain countries. For specifics, see the Social Security publication "[Your Payments While You Are Outside the United States.](#)"

[Can I pay back my benefits to receive a higher payment?>>](#)

21. I started collecting Social Security at 62. I heard that if I changed my mind, I could pay back the amount I'd collected and get a higher payment. Is that possible?

Yes, but the sum you'd be paying back may be quite large, perhaps prohibitive. You must repay all benefits that you and your family received, plus any money withheld from your checks for Medicare Parts B, C and D; also, any tax withheld. For specifics, you'll need to contact [Social Security](#).

22. Can I collect Social Security and unemployment compensation at the same time?

Yes. Unemployment benefits aren't counted as wages under Social Security's annual earnings test, so you'd still receive your benefit. However, the amount of your unemployment benefit could be cut if you receive a pension or other retirement income, including Social Security and railroad retirement benefits. Contact your state unemployment office for information on whether your state applies a reduction.

23. I am 63 and collecting Social Security. If I work, will my benefit be cut?

It depends on your income. Between age 62 and the start of the year when you reach full retirement age, \$1 in benefits is withheld for every \$2 you earn above a limit, which is \$14,160 in 2010. In the year you reach full retirement age, \$1 is withheld for every \$3 above another limit, \$37,680 in 2010. In your birthday month, the limits go away — and your benefit will be recalculated upward to compensate for the money that was withheld.

24. I'm 50. Will Social Security be there when I retire?

The Social Security trust fund, where accumulated assets are held, currently contains about \$2.5 trillion. According to the system's board of trustees, that money and continuing tax contributions will allow payment of all benefits at current rates until 2037. After that, there still will be enough tax revenue coming in to pay about 78 percent of benefits. Congress is being urged to make financial fixes to Social Security to ensure it will be there for you.

25. I know I can start collecting Social Security at age 62. But should I?

That depends. If you're healthy and can afford it, you should consider waiting until you reach your full retirement age of 66, or even 70. Here's why.

By law, the age when workers can qualify for full benefits is gradually increasing, from 65 to 67. (It will be 67 for anyone born after 1960.) If you claim benefits before reaching full retirement age, they'll be reduced. That's because the goal set by Congress is to pay the same lifetime benefits to an individual regardless of when they're initially claimed.

So let's say you claim benefits at age 62 and get \$1,000 a month. If you can wait until you're 66, you'll get at least 33 percent more (\$1,333). And if you can wait until you're 70, you'll get at least 75 percent more (\$1,750).

Social Security determines the amount of your benefits based, in part, on your highest 35 years of earnings. So you may get a larger monthly benefit if your extra years of work are your top earning years.

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<http://www.aarp.org/work/social-security/info-12-2010/top-25-social-security-questions.html?cmp=NLC-RSS-DAILY-BULLETIN>