

10 Things You Should Know About Social Security



Social Security provides benefits to 52.5 million Americans. Nearly 14 percent of people 65 and older rely on Social Security for 100 percent of their family income. About 50 percent of the people in this age group count on benefits for 50 percent of their income. The important role played by Social Security is simple to understand, but the program itself can be complicated. If you're approaching retirement, or even if you're already there, here are 10 things you need to know about Social Security.

Is Social Security just for retired workers? No. In December 2009, [15 percent of Social Security beneficiaries](#) were disabled workers; 8 percent were children; 8 percent were widows, widowers and parents; and 5 percent were spouses. The remaining 64 percent of beneficiaries were retired workers.

At what age can I start collecting Social Security benefits? Workers can begin receiving benefits at age 62, but your benefit will be greater if you wait until your full retirement age (currently 66) or later. Widows, widowers, surviving children, the disabled and children of the disabled can start collecting earlier. [Full retirement ages](#) are based on the year of your birth.

How do I sign up for Social Security benefits? [Apply for Social Security benefits online](#), at your local office or by phone at 800-772-1213. To collect your full retirement benefits, apply to the Social Security Administration (SSA) three months before you wish to receive your first payment.

How long do I need to work to become eligible for benefits? If you were born in 1929 or later, you need to work at least 10 years to become eligible for Social Security. The SSA determines eligibility with a [system of credits](#). Basically, you earn up to four credits for every year worked, and you need a total of 40 credits to qualify for Social Security.

Must I stop working to collect Social Security benefits? No, you can [receive benefits while working](#). But, if you are younger than the full retirement age (currently 66) and earn more than a certain amount, your monthly benefits will be temporarily reduced. Once you reach full retirement age, however, your benefits will be increased to make up for what was lost.

If you're turning 66 in 2010, the amount you can earn without a reduction in benefits is \$37,680. If you're younger than 66 for all of 2010, the amount you can earn without a reduction in benefits is \$14,160. After you reach your full retirement age, you keep all of your benefits no matter how much you earn.

What's the maximum monthly Social Security benefit? For a worker retiring in 2010 at the full retirement age of 66, the highest monthly amount is \$2,346. In December 2009, the average monthly Social Security benefit for a retired worker was about \$1,168.

Can I receive Social Security benefits based on the earnings of a former spouse? Yes, as long as you were [married for 10 years](#) and you aren't remarried. If so, you're eligible to claim Social Security benefits under your [ex-spouse's earnings](#) if they turn out to be higher than your own.

How can I boost the amount of my Social Security check? Bottom line: [The longer you wait](#) to

start collecting after you become eligible at 62, the higher the amount you'll receive. For each year you delay, your Social Security benefits will increase between 7 percent and 8 percent annually up to age 70.

How should I receive my Social Security payments? Your best bet is to sign up for [direct deposit](#) into your bank account. Paper checks can get lost in the mail. The SSA plans to do away with paper checks altogether by 2013 in favor of direct deposit and [debit cards](#).

When someone dies, how does the Social Security Administration know? The SSA receives reports of [beneficiary deaths](#) from family members, funeral homes and other government agencies. You should inform the SSA within a month of someone's passing.

Source: AARP.com; by: Kelly Miller | August 6, 2010