

Frequently asked questions

Social Security retirement benefits

Deciding when to collect Social Security (SS) retirement benefits can be difficult. Enclosed are the top questions and answers to help you make your decision.

What happens if I retire at age 60 but do not start collecting until full retirement age (FRA)?

Since your benefits will be based on your best 35 years of employment and the estimate assumes your current earnings will continue through FRA, the benefits you receive could be lower than the amount reflected on your statement. A more accurate estimate may be calculated by using the Retirement Estimator on the Social Security Administration's website at www.ssa.gov.

Can I start collecting benefits and change my mind?

Yes. If you start collecting benefits and change your mind, you can file a "Request for Withdrawal of Application" form with the Social Security Administration (SSA). If the request is granted, you need to repay the SSA all of the payments, including those received by any family member(s), that have been collected based on your work history. You can subsequently refile. The SSA restricts withdrawals to within 12 months of filing for benefits and will only allow one withdrawal per lifetime.

What will happen to my benefits if I collect but continue to work beyond FRA?

The SSA will automatically recalculate your benefits each year you continue to work. If your current income is greater than one of your previously calculated "best 35 years," your benefits will be automatically adjusted upward. The increase generally will be made in October of the following year but will be retroactive to January 1st.

If I have never worked, am I eligible for any benefits?

You may be eligible to collect spousal or survivor benefits from your spouse or ex-spouse even if you have never worked or have not worked enough to qualify for your own retirement benefits.

How far in advance can I apply for benefits?

You can apply up to four months before you want your benefits to start. However, if you want to begin your benefits at age 62, you have to wait until you are at least 61 years and 9 months.

If I am already collecting benefits, do I still need to pay the SS payroll tax?

Yes. Everyone working in covered employment or self-employment regardless of age or eligibility for benefits must pay the SS payroll tax also known as Federal Insurance Contributions Act (FICA) tax (see page 2). However, there are a few exceptions, such as an individual who qualifies for a religious exemption.

Will my SS benefits be taxable?

The answer depends on your overall income. The amount of your benefit that is taxable can range from 0%-85%.

Will unemployment affect my SS benefits?

SS does not count unemployment benefits as earnings. They do not affect retirement benefits, but income from SS may reduce your unemployment compensation. Contact your state unemployment office for information on how your state applies the reduction.

Important acronyms

Federal Insurance Contributions Act (FICA) Tax –

A payroll tax imposed by the federal government on both employees and employers to fund SS and Medicare.

Full Retirement Age (FRA) – The age at which you are entitled to your entire primary insurance amount. Varies between age 65 and age 67 depending on the year in which you were born.

Government Pension Offset (GPO) – A reduction to the spousal and/or survivor benefits of individuals who receive a pension from a federal, state or local government based on work where FICA tax was not withheld. SS benefits will be reduced by two-thirds of the monthly government pension.

Primary Insurance Amount (PIA) – The full monthly SS retirement benefit to which you become entitled at FRA. All benefits based on your earnings record (including spousal and survivor benefits) are based on your PIA.

Windfall Elimination Provision (WEP) – A different method of computing the PIA of an individual receiving a pension based on earnings not covered by SS (i.e., did not pay FICA tax while paying into the pension system). WEP closes a loophole that enabled people who worked in both covered and non-covered employment from appearing to be low-wage workers and receiving higher benefits.

Impact of pensions

If I worked in jobs that paid FICA tax as well as jobs that paid into a civil retirement system and did not pay FICA tax, will my pension affect my SS benefits?

If you are covered by a pension under the civil retirement system and also qualify for SS benefits, your PIA could be reduced through Windfall Elimination Provision (WEP). The maximum reduction to your monthly SS benefits in 2023 is \$557.50; but there are other factors that could lessen this reduction.

Am I able to collect spousal or survivor benefits if I have earned a pension?

Assuming you did not pay FICA tax while paying into the civil retirement system, a government pension offset (GPO) would apply. Any spousal and/or survivor benefits to which you would otherwise be entitled would be reduced by two-thirds the value of your monthly pension.

Collecting early

If I start collecting prior to FRA, will my benefits be adjusted when I reach FRA?

No. Reductions due to collecting early are permanent.

What if I start collecting benefits but return to work prior to FRA?

Based on the wages you earn each year, part or all of your benefits may be withheld. If you would prefer to keep the benefits from being withheld, you may elect to complete a “Request for Withdrawal of Application” form (see “Can I start collecting benefits and change my mind?” on page 1).

Will I get back what the SSA withheld when I reach FRA?

No. Any amount withheld is lost. However, the SSA will increase your benefit at FRA by adjusting your reduction percentage to account for the withheld benefits.

Family benefits

If my spouse collects benefits early, does that reduce my spousal benefits?

No. Spousal benefits are based on your spouse's FRA benefit and when you collect spousal benefits. When your spouse collects will not affect the amount of your spousal benefits.

Can I collect spousal benefits from my younger spouse's earnings history?

Yes, provided your spouse has filed for benefits.

Do spousal benefits continue to increase beyond FRA like individual benefits do?

No. Spousal benefits do not receive delayed retirement credits. Therefore, they are at their highest at FRA.

Do I need to wait until FRA to begin collecting spousal benefits?

No, age-reduced spousal benefits could be available as early as age 62. Additionally, if you are caring for a child under age 16 (or any age if disabled before age 22), you are eligible for spousal benefits even if you have not yet achieved retirement age. If you are currently working, your benefits may be subject to withholding based on your wages.

Can my child receive benefits?

Yes. Children under age 18, 19 if still in high school, or any age if disabled before age 22 can collect retirement benefits when you file for benefits.

If I am working and under FRA, can I collect survivor benefits?

Yes, but any type of retirement benefit collected prior to FRA may be subject to withholding based on your wages.

If I am collecting survivor benefits and remarry, do I lose the survivor benefits?

No.

How old must I be to collect survivor benefits?

Survivor benefits can be collected as young as age 60, but this may result in a reduction of up to 28.5%.

Can I start collecting survivor benefits then switch to my own a few years later?

Yes. You can opt to collect only survivor benefits and switch to your own individual benefits at a later date.

If my spouse passes, are my children eligible for survivor benefits?

A child can receive a surviving child benefit at the rate of 75% of the deceased parent's PIA. Benefits are payable until the child reaches age 18, 19 if still in high school, or any age if disabled before age 22. If more than two people are receiving benefits, they will be subject to a family maximum.

Divorced benefits

Do I have to be unmarried at the time to collect spousal benefits on my ex-spouse's work history?

Yes. You must be unmarried when you apply for spousal benefits based on an ex-spouse's work history.

If I have been divorced twice, can I collect spousal benefits on both ex-spouses' work histories?

No. You are entitled to collect on only one record, but the SSA will pay the highest benefit.

Impact of the Bipartisan Budget Act of 2015

What are the changes?

Two SS claiming options were impacted by the budget decision: Voluntary Suspension and Restricted Application.

What is Voluntary Suspension?

Voluntary Suspension allows individuals to file for benefits, but suspend taking them. Under prior rules, eligible spouses and dependents were able to collect benefits during the suspension while the individual's benefits continued to earn the 8% annual increase.

What is a Restricted Application?

A Restricted Application enables an individual to collect the "spouse-only" portion of SS benefits that they are eligible to receive at FRA or older. This allows your individual benefit to continue to grow, earning the 8% annual increase. At age 70, you could then switch from the "spouse-only" benefit to the increased individual benefit.

When were the changes effective?

The Restricted Application is no longer available for anyone born after January 1, 1954. Individuals born after this date will have to claim an individual benefit prior to collecting a spousal benefit, regardless of age. For individuals who were born on or before January 1, 1954, the Restricted Application remains a viable option.

Changes to Voluntary Suspension were effective April 30, 2016. The option to suspend is still possible just with additional implications:

1 During suspension, any spousal or child benefit is also turned off. The filer must begin collecting benefits again in order for others to collect off of their record.

2 You can no longer request retroactive payments of those suspended benefits.

3 The filer is not able to claim any other benefit while their benefit is suspended.

Can I suspend my benefit after April 30, 2016?

Yes. The option to suspend benefits is still available. A common use case for this would be an individual who chooses to collect retirement benefits early and, at or after FRA, decides that they would rather earn the raise instead of continuing to receive the monthly check. However, the ability for others to receive spousal or dependent benefits during the suspension period is no longer possible.

What if I am already using one of these strategies?

Anyone who has already filed a Restricted Application or suspended their individual benefit prior to April 30, 2016 will be unaffected by these changes.

If I chose to file and suspend prior to April 30, 2016, did I have to request retroactive payments before that date to be eligible?

No. You will retain the ability to request retroactive payments as long as you have requested Voluntary Suspension before April 30, 2016.

Are survivor benefits impacted?

No, survivor benefits do not change as a result of this legislation.

Sources: BlackRock; Social Security Administration; Internal Revenue Service. Please see the Social Security Administration's website at www.ssa.gov for more information, restrictions and limitations about Social Security benefits.

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Lit No. SS-FAQS-1022 218002T-1021

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