

# 2018 Retirement Benefits Social Security Quick Guide



Full Retirement Age (FRA)		Primary Insurance Amount (PIA) computation	
Birth year	FRA	AIME	PIA (as % of AIME)
1937 or earlier	65	\$0-896	90%
1938-1942	65 + 2 months for each year after 1937	\$896-\$5,399	\$806.40 + 32% of earnings over \$896
1943-1954	66	\$5,399+	\$2,247.36 + 15% of earnings over \$5,399
1955-1959	66 + 2 months for each year after 1954		
1960 and later	67		

Delayed Retirement Credits (DRCs)		Individual - Early collection - % of PIA collectible						
Birth year	DRC	FRA	62	63	64	65	66	67
1939-1940	7.0%	65	80.0%	86.7%	93.3%	100.0%		
1941-1942	7.5%	66	75.0%	80.0%	86.7%	93.3%	100.0%	
1943 or later	8.0%	67	70.0%	75.0%	80.0%	86.7%	93.3%	100.0%

## LAST 10 COST OF LIVING ADJUSTMENTS (COLAS)



Social Security Administration, [www.ssa.gov](http://www.ssa.gov), 2017.

Spousal - Early collection - % of PIA collectible						
	Age collection begins					
FRA	62	63	64	65	66	67
65	75.0%	83.3%	91.7%	100.0%		
66	70.0%	75.0%	83.3%	91.7%	100.0%	
67	65.0%	70.0%	75.0%	83.3%	91.7%	100.0%

## Work credits

\$1,320 earns one credit. Maximum of four credits earned per year.

## Terms to know

**FRA (Full Retirement Age)** – Age at which a person is eligible to receive full Social Security Retirement benefits. Between 65 and 67 depending on birth year.

**PIA (Primary Insurance Amount)** – The full monthly Social Security benefit an individual is entitled to receive at FRA.

**DRC (Delayed Retirement Credit)** – If collecting Social Security Retirement benefits is delayed beyond FRA, benefits are increased annually until age 70 by 7-8%, depending on FRA.

**AIME (Average Indexed Monthly Earnings)** – Dollar amount used to calculate your PIA. Uses an index to approximate an individual's lifetime earnings at today's wage levels.

**COLA (Cost of Living Adjustment)** – Annual adjustments to PIA to reflect any increase in the Consumer Price Index, or cost of living.

Spousal and survivor benefit eligibility	
Spousal	Benefits amount
<b>Current spouse</b> – Spouse must be at least 62, or any age if caring for your child under age 16 or who was disabled prior to age 22	50% of your PIA, reduced if taken before FRA, reduced by any benefits he or she is entitled to based on own work history
<b>Ex-spouse</b> – Marriage must have lasted 10 years, spouse must be at least age 62 and not remarried, and not entitled to a higher benefit	
Survivor	
<b>Current spouse</b> – Spouse must be at least age 60 or any age if caring for your child under age 16 or who was disabled prior to age 22	100% of your benefits but not less than 82.5% of your PIA <sup>1</sup>
<b>Ex-spouse</b> – Marriage must have lasted 10 years, spouse must be at least age 62 and not remarried, and not entitled to a higher benefit	

<sup>1</sup> Assumes surviving spouse has reached FRA

Tax information		
Social Security taxes		
Employee/employer (each)	6.2% on earnings up to \$128,700	
Self-employed	12.4% <sup>2</sup> on earnings up to \$128,700	
Medicare taxes		
Employee/employer (each)	1.45% on all earnings	
Self-employed	2.90% <sup>2</sup> on all earnings	
<sup>2</sup> Can be offset by income tax provisions		
Base Modified Adjusted Gross Income causing Social Security to be taxable		
	50%	85%
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

Social Security Administration, [www.ssa.gov](http://www.ssa.gov), 2017.

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400 Robert Street North, St. Paul, MN 55101-2098 • 1-800-820-4205

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Information for people who are receiving Social Security benefits	
Maximum Social Security benefit for a worker retiring at FRA	
2017 = \$2,687/month	2018 = \$2,788/month
Earnings limits	
At FRA or older	No limit
Until FRA	\$17,040 – for every \$2 over the limit, \$1 is withheld from benefits
Year FRA is reached	\$45,360 – for every \$3 over the limit, \$1 is withheld from benefits until the month FRA is reached
Disability beneficiaries' earnings limits	
Substantial Gainful Activity (non-blind)	\$1,180/month
Substantial Gainful Activity (blind)	\$1,970/month
Trial work period month	\$850/month

Claiming strategies		
Claimant's date of birth	Restricted Application	File and Suspend
Born before May 1, 1950	Available at FRA	Available at FRA provided suspension requested before April 30, 2016
Born after April 30, 1950 but before January 2, 1954	Available at FRA	No longer available
Born after January 1, 1954	No longer available	No longer available