

50TH EDITION

2022 Guide to Social Security



A simple explanation with easy-reference benefit tables.

2022

Guide to Social Security

Mercer
400 West Market Street, Suite 500
Louisville, Kentucky 40202
Telephone 502 561 4541
www.imercer.com/socialsecurity

Author

Donna A. Clements, B.A.
Manager, Social Security Information Services
Mercer

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Table of Contents

<u>Introduction</u>	5
<u>Are You Missing Out?</u>	5
<u>Major Changes in 2022</u>	7
<u>Who Is Covered or Not Covered</u>	8
<u>Who Receives Benefits</u>	9
<u>What It Costs</u>	10
<u>Who Pays and How Much?</u>	10
<u>Schedule of Payroll Taxes</u>	11
<u>Self-Employed</u>	14
<u>Federal Income Taxes on Benefits</u>	15
<u>Retirement Benefits</u>	17
<u>Easy-Reference Table</u>	17
<u>Benefits as a Percentage of Pay</u>	19
<u>Qualifications</u>	20
<u>How to Figure Benefits</u>	20
<u>When to Begin Retirement Benefits</u>	22
<u>Full Retirement Age (FRA)</u>	25
<u>Early Retirement</u>	26
<u>First Full Month That You Are Age 62</u>	29
<u>Delayed Retirement Credits</u>	29
<u>Family Benefits</u>	31
<u>Examples of Benefits</u>	33
<u>The Retirement Earnings Limit</u>	35
<u>2022 Age 62 Benefit Table</u>	41
<u>When You Receive Benefits</u>	43
<u>Pensions Based on Noncovered Employment</u>	43
<u>Government Pension Offset</u>	45

Disability Benefits	47
<u>Easy-Reference Table</u>	47
<u>Qualifications</u>	48
<u>Work Incentives</u>	50
<u>Family Benefits</u>	51
<u>Example of Benefits</u>	51
Survivor Benefits	53
<u>Benefits for Month of Death</u>	53
<u>Easy-Reference Table</u>	54
<u>Qualifications</u>	55
<u>Lump-Sum Death Benefit</u>	56
<u>Family Benefits</u>	56
<u>Example of Benefits</u>	59
Medicare	61
<u>Eligibility and Enrollment</u>	62
<u>2022 Medicare Figures</u>	64
Appendix	65
<u>Things to Do</u>	65
<u>Social Security Questions and Answers</u>	68
<u>Social Security Rules</u>	70
<u>Full Retirement Age, Early-Retirement Percentages and Delayed-Retirement Percentages Table</u>	73
<u>Benefit Worksheet</u>	74



This symbol indicates a more in-depth example is provided.

Introduction

ARE YOU MISSING OUT?

Social Security marked its 85th anniversary on August 14, 2021. The Social Security program was established to provide the base of financial protection for working people and their families when earnings are lost due to retirement, disability, or death. In addition to the worker's benefit, Social Security benefits may be paid to the spouses and children of workers. Benefits are an earned right, and they maintain their value with automatic annual cost-of-living increases.

Social Security is the largest source of income for the majority of people age 65 and over. More than nine out of ten people age 65 and older receive Social Security benefits. For 12% of men and 15% of women, Social Security is 90% or more of their income, and for 37% of men and 42% of women, it is more than half of their income. Social Security was not intended to be the only source of income when earnings are lost due to retirement, disability, or death. The program is designed to encourage people to build additional financial protection through pensions, savings, investments, life insurance, and other sources.

Nearly all Americans participate in Social Security and Medicare. There are about 175 million working people paying taxes, matched by their employers, to support these programs. Currently, there are 2.7 workers for each Social Security beneficiary. By 2035, there will be 2.3 workers for each beneficiary. About 65 million people receive benefits with retired workers and their dependents making up 76% of this number. Disabled workers and their dependents comprise 15%, and survivor benefits account for 9%. Millions more will receive benefits in the coming years with an estimated 82 million people receiving benefits by 2035. For disability benefits, over 1 in 4 of today's 20-year-olds will become disabled before reaching age 67. Statistics also show that for a 20-year-old today, about 1 in 8 will die before reaching age 67.

Medicare began in 1965 and is the primary health insurance for about 62.6 million people age 65 and over and many disabled people. About 25% of these beneficiaries can receive assistance that pays for their entire Part B (Medical Insurance) premium, and about 27% of them can receive assistance for their Part D (outpatient prescription drug) premium.



This **Guide** tells you in simple, practical terms what you need to know about Social Security and Medicare.

- What is the **cost** for you and your employer?
- What **types of benefits** are provided?
- **How much** you get and **when** you get it.
- How to **make sure** you get it.

You are paying for Social Security today – it could be your main source of income tomorrow, if you know what to do and when to do it.

Don't miss out. Read this **Guide** – it's important.

MAJOR CHANGES IN 2022

Social Security

- **The maximum earnings on which you pay Social Security taxes** increases from \$142,800 to **\$147,000**. There is no earnings limit for the Medicare tax ([page 10](#)).
- The Social Security tax rate is 6.2%. The Medicare tax rate is 1.45%, but high-income employees pay an additional 0.9% ([page 10](#)).
- There is a **5.9%** annual cost-of-living adjustment (COLA) in benefits for December 2021 ([pages 17, 22, 47, 54, 71](#)).
- The **full retirement age (FRA)** is 66 and 4 months in 2022. The FRA for people reaching age 62 in 2022 is 67. Reduced benefits are payable at age 62 ([pages 25](#) and [73](#)).
- The **Delayed Retirement Credit (DRC)** is **8%** for each full year up to age 70 that you do not receive your benefits at FRA or later ([page 29](#)).
- The **earnings limit** for beneficiaries **under FRA** is **\$19,560** ([page 35](#)).
- **If you attain FRA in 2022, the earnings limit is \$51,960** for the period before the month you attain FRA. **There is no limit at FRA or later** ([page 37](#)).
- In 2022, the **maximum monthly benefit** for retirees at FRA is **\$3,313** ([page 18](#)).

Medicare

- The **Part A deductible** rises from \$1,484 to **\$1,556**. After 60 days in a hospital, you pay \$389 per day for 30 days and then \$778 per day for up to 60 lifetime reserve days.
- The standard Part B monthly premium increases from \$148.50 to **\$170.10** in 2022 for current, new, and high-income Medicare beneficiaries, and people whose Medicare premium is paid by Medicaid. Beneficiaries with high incomes pay additional income-related Part B premiums.
- The **Part B deductible** increases from \$203 to **\$233**.
- The **Part D prescription drug plan deductible** rises from \$445 to **\$480**.
- The average **Part D monthly premium is about \$33**. Beneficiaries with high incomes are charged an adjustment to their Part D premium.

Who is covered or not covered?

Almost all employed and self-employed people are covered by Social Security and Medicare. Beginning in 1984, all members of Congress, the President and Vice President, cabinet heads, the Chief Justice of the United States, Associate Justices of the Supreme Court, other federal judges, and most political appointees were covered under the Social Security program.

The major **exceptions** are:

- **Most civilian federal employees hired before 1984** are covered by Medicare, but usually not by Social Security.
- **About 25% of state and local government employees** – Each state and local government unit with a pension plan decides whether to elect Social Security and Medicare coverage. Once elected, participation cannot be discontinued. Employees who are not covered by a retirement plan are covered by Social Security and Medicare. Employees hired after March 1986 pay the 1.45% Medicare tax even if they are not covered by Social Security.
- **Railroad workers** are covered under the federal Railroad Retirement system which is coordinated with Social Security.

Special provisions apply to:

- **Household workers** – In 2022, wages of **\$2,400** or more per year paid to workers age 18 and over to work at an employer's home are subject to Social Security and Medicare payroll taxes. Only payments in money are subject to these taxes for this type of work – not material items such as meals. The law exempts household workers under 18 who are students or who have another occupation that is their principal one.
- **Family employment** – If you are self-employed and hire your spouse, parent, or child age 18 or older in the **course of your business**, it is covered employment.
- **Agricultural workers** – If you are paid \$150 or more in a calendar year from one employer for farm work, or if that employer pays at least \$2,500 to all employees for labor during the year, you are generally subject to payroll taxes, and your earnings will count in figuring your benefits.

Who receives benefits?

Social Security pays benefits when you retire, become disabled, or die if eligibility requirements are met. Your spouse and children may also be eligible for benefits when you become entitled or die. The following table shows who most often receives Social Security benefits.

Benefits May Be Paid To:			
When You:	You	Your Spouse	Your Unmarried Child
Retire	<ul style="list-style-type: none"> Age 62 or over 	<ul style="list-style-type: none"> Age 62 or over Any age, if caring for your child under 16 or disabled before 22 	<ul style="list-style-type: none"> Under 18, or up to 19 if in high school, or any age if disabled before 22
Become Disabled	<ul style="list-style-type: none"> Any age before full retirement age 	<ul style="list-style-type: none"> Age 62 or over Any age, if caring for your child under 16 or disabled before 22 	<ul style="list-style-type: none"> Under 18, or up to 19 if in high school, or any age if disabled before 22
Die	—	<ul style="list-style-type: none"> Age 60 or over, or age 50-59 if disabled Any age, if caring for our child under 16 or disabled before 22 	<ul style="list-style-type: none"> Under 18, or up to 19 if in high school, or any age if disabled before 22



What it costs

WHO PAYS AND HOW MUCH?

You and your employer each pay taxes for Social Security and Medicare Hospital Insurance. Your employer pays part of the cost – you get all the benefits. Self-employed people pay the combined employee/employer rate, but there are other tax provisions that help offset this ([page 12](#)).

Tax Rates

Two separate payroll taxes are withheld from employees' wages:

- **Social Security:** This tax of **6.2%** pays for benefits to entitled beneficiaries.
- **Medicare (Hospital Insurance):** This tax of **1.45%** pays for hospital benefits for Medicare beneficiaries. The Medicare tax started in 1966. Starting in 2013, an additional **0.9%** tax applies to **high-income employees** (see below).

For most, the two taxes are added together (7.65%) and treated as one amount called “payroll taxes” or **FICA** (Federal Insurance Contributions Act). The self-employed pay the combined employee/employer tax rate for Social Security (6.2 + 6.2 = 12.4%) and Medicare (1.45 + 1.45 = 2.9%) for a total of 15.3%, which is reported on Schedule SE with their income tax returns. High-income employees pay an additional 0.9% Medicare tax (see below).

Amount of Earnings Taxed

You do not pay any Social Security tax on earnings over the **Maximum Taxable Amount** – **\$147,000** for 2022. The maximum is based on the change in the national average wage. Through 1990, the Social Security and Medicare maximum taxable amounts were the same. For three years, the maximum for Medicare was higher: \$125,000 in 1991, \$130,200 in 1992, and \$135,000 in 1993. **In 1994 and after, there is no earnings limit for the Medicare tax.**

An additional Medicare FICA tax of 0.9% applies to high-income employees when annual earnings exceed \$200,000 (\$250,000 for married filing jointly and \$125,000 for married filing separately). The employer does not pay this additional tax.

Social Security and Medicare Taxes			
Years	Employer and Employee Tax Rate	Self-Employed Tax Rate	Maximum Earnings Taxed Annually (p.6)
1937-49	1.00%	not covered	\$3,000
1950	1.50	not covered	3,000
1951-53	1.50	2.25%	3,600
1954	2.00	3.00	3,600
1955-56	2.00	3.00	4,200
1957-58	2.25	3.375	4,200
1959	2.50	3.75	4,800
1960-61	3.00	4.50	4,800
1962	3.125	4.70	4,800
1963-65	3.625	5.40	4,800
1966	4.20	6.15	6,600
1967; 1968	4.40	6.40	6,600; 7,800
1969-70	4.80	6.90	7,800
1971; 1972	5.20	7.50	7,800; 9,000
1973	5.85	8.00	10,800
1974	5.85	7.90	13,200
1975; 1976	5.85	7.90	14,100; 15,300
1977	5.85	7.90	16,500
1978	6.05	8.10	17,700
1979; 1980	6.13	8.10	22,900; 25,900
1981	6.65	9.30	29,700
1982; 1983	6.70	9.35	32,400; 35,700
1984	6.70	11.30	37,800
1985	7.05	11.80	39,600
1986	7.15	12.30	42,000
1987	7.15	12.30	43,800
1988; 1989	7.51	13.02	45,000; 48,000
1990; 1991	7.65	15.30	51,300; 53,400
1992; 1993	7.65	15.30	55,500; 57,600
1994; 1995	7.65	15.30	60,600; 61,200
1996; 1997	7.65	15.30	62,700; 65,400
1998; 1999	7.65	15.30	68,400; 72,600
2000	7.65	15.30	76,200
2001	7.65	15.30	80,400
2002	7.65	15.30	84,900
2003	7.65	15.30	87,000
2004	7.65	15.30	87,900
2005	7.65	15.30	90,000
2006	7.65	15.30	94,200
2007	7.65	15.30	97,500
2008	7.65	15.30	102,000
2009-10	7.65	15.30	106,800
2011	7.65 / 5.65 Employee	13.30	106,800
2012	7.65 / 5.65 Employee	13.30	110,100
2013	7.65 (High Incomes p. 6)	15.30	113,700
2014	7.65 (High Incomes p. 6)	15.30	117,000
2015	7.65 (High Incomes p. 6)	15.30	118,500
2016	7.65 (High Incomes p. 6)	15.30	118,500
2017	7.65 (High Incomes p. 6)	15.30	127,200
2018	7.65 (High Incomes p. 6)	15.30	128,400
2019	7.65 (High Incomes p. 6)	15.30	132,900
2020	7.65 (High Incomes p. 6)	15.30	137,700
2021	7.65 (High Incomes p. 6)	15.30	142,800
2022	7.65 (High Incomes p. 6)	15.30	147,000

For a two-earner married couple earning \$125,000 and \$200,000, no additional Medicare FICA tax would be withheld from their wages, but they would have to pay the additional 0.9% Medicare tax when filing Form 1040 for 2022.

Examples – Payroll Taxes

Annual Earnings: \$30,000	Tax Rate		Taxable Earnings	=	Amount of Tax
You, Social Security	6.20%	x	\$30,000	=	\$ 1,860.00
You, Medicare	1.45%	x	30,000	=	435.00
				Total	\$ 2,295.00
Annual Earnings: \$150,000					
You, Social Security	6.20%	x	\$147,000	=	\$ 9,114.00
You, Medicare	1.45%	x	150,000	=	2,175.00
				Total	\$ 11,289.00
Annual Earnings: \$220,000					
You, Social Security	6.20%	x	\$147,000	=	\$ 9,114.00
You, Medicare	1.45%	x	220,000	=	3,190.00
You, Medicare	0.90%	x	20,000	=	180.00
				Total	\$ 12,484.00

Note: In each of these examples, the employer pays a matching tax except for the 0.9% additional Medicare tax for high-income employees.

What Is Taxed

All salaries, wages, bonuses, and commissions that you receive for working are taxed and credited to your earnings record. The Social Security tax is withheld until the maximum taxable earnings (\$147,000 in 2022) for the year is reached ([see page 13 if you have more than one employer](#)). The Medicare tax is withheld from every paycheck, and high-income employees pay an additional 0.9% tax ([page 10](#)).

In addition to cash payments, FICA-taxable amounts include the value of meals and lodging, except when provided for the convenience of your employer. The first six months of sick pay and the cost of employer-provided group term life insurance coverage exceeding \$50,000 are also taxed.

If you have questions about what is taxable, you should contact the IRS. If you work while receiving benefits, you still pay Social Security and Medicare taxes regardless of your age. The additional earnings can result in increasing your benefit if the earnings are higher than those of an earlier year used in the previous calculation.



Payments under nonqualified deferred compensation plans are subject to FICA taxes at the time your rights to these payments vest (or when you perform the services required to earn the deferred compensation). Some employers delay the time of taxation to the year of retirement. If the payments have been correctly subjected to FICA taxes before payments start, then these distributions are exempt from FICA taxes.

What Is Not Taxed

Payments from almost all employee benefit plans are excluded from payroll taxes. Also, items of little value provided by your employer are generally not taxed. For example, you aren't taxed for using the company parking lot or medical clinic or for discounts on company products.

Military Service

Military personnel on active duty have been covered by Social Security since 1957. They pay taxes on their cash compensation.

Tips

If you receive tips of \$20 or more in a month, all of your cash tips are treated as regular wages.

Two or More Employers

If you work for more than one employer in a year, each one must withhold Social Security taxes on your earnings up to the Maximum Taxable Amount (unless you have switched employers in connection with a corporate reorganization, asset sale, or similar transaction). If your total earnings from all employers subjected to FICA taxes are more than the maximum, then you will have paid too much Social Security tax.

What happens when you overpay? You can credit the overpayment against the federal income taxes that you owe for that year when you file your return, or you can claim a refund ([page 67](#)). Your employers do not get a credit or refund for their payments.

SELF-EMPLOYED

If you are self-employed, you are covered by Social Security and Medicare. Benefits for the self-employed are the same as for employees. Ministers can opt out on grounds of conscience or religious principles at ordination.

You pay tax on only 92.35% of your net earnings from self-employment (if the result is at least \$400). In general, net income is figured under the same rules as for income tax purposes. You determine your self-employment tax using **IRS Form 1040 Schedule SE**. You can deduct half of the Social Security tax paid, plus half of the Medicare tax paid. Additional adjustments apply to self-employed individuals who supplement their self-employment income with wages from regular jobs.

If you and your spouse file a joint return, each one with self-employment income must also file a Schedule SE.

If you are self-employed in more than one business, the profits and losses of all businesses are added together to figure your net earnings.

The rules below apply if you are **both self-employed and an employee**:

- If you earn the Social Security Maximum Taxable Amount (or more) as an employee, you do not pay any Social Security self-employment tax.
- If you earn less than the Maximum Taxable Amount as an employee, you pay Social Security self-employment tax on the amount of your self-employment earnings (after adjustment by the 92.35% factor) that brings you up to the maximum Social Security earnings base (\$147,000 in 2022) when added to your wages as an employee.
- You pay **Medicare taxes** on all of your earnings as an employee and from self-employment, after the 92.35% adjustment for calculating self-employment income. High-income employees pay an additional 0.9% Medicare tax that started in 2013 ([page 10](#)).

See [page 11](#) for tax rates for the self-employed and maximum taxable amounts.

FEDERAL INCOME TAXES ON BENEFITS

If you work while receiving benefits, you still pay Social Security and Medicare taxes regardless of your age. These additional earnings can result in increasing your benefit if the earnings are higher than those of an earlier year used in the previous benefit calculation.

Benefits are income tax free for the majority of beneficiaries and partially tax free for all beneficiaries. However, those with high total incomes must include up to 85% of their benefits as income for federal income tax purposes. Special step-rate “thresholds” determine the amount on which you may be taxed:

- Single person: \$25,000 and \$34,000
- Married couple filing a joint return: \$32,000 and \$44,000
- Married couple filing separate returns and living together at any time during the year have zero thresholds (if not living together, they are considered as a single person)

The Preliminary Adjusted Gross Income (earnings, pensions, dividends, and taxable interest from investments and other sources), plus interest on tax-exempt bonds, plus 50% of Social Security benefits is compared with these thresholds. Fifty percent of any excess over the first threshold, plus 35% of any excess over the second threshold is included in Adjusted Gross Income. This amount cannot exceed the smaller of (a) 85% of the benefits or (b) 50% of the benefits, plus 85% of any excess over the second threshold.

You can choose to have federal income taxes withheld from your monthly benefit. If you do, decide what percentage (7%, 10%, 12%, or 22%) you want withheld. Complete IRS Form W-4V and submit it to your local Social Security office.

Social Security and Medicare taxes are not deductible for federal income taxes for employees. The self-employed can deduct half of the Social Security and Medicare taxes paid on self-employment income.

**Example – Married Couple Filing Jointly**

Suppose a couple had:

Preliminary Adjusted Gross Income	\$50,000
Tax-free bond interest	2,000
50% of \$20,000 in Social Security benefits	<u>10,000</u>
Modified Adjusted Gross Income	\$62,000
Excess of income over first threshold (\$32,000)	\$30,000
Excess of income over second threshold (\$44,000)	\$18,000

Three calculations are done – you use the smallest amount

(1) 50% of excess over 1st threshold, plus 35% of excess over 2nd threshold (.50 x \$30,000 + .35 x \$18,000)	\$21,300
(2) 85% of benefits (.85 x \$20,000)	\$17,000
(3) 50% of benefits, plus 85% of excess over 2nd threshold (.50 x \$20,000 + .85 x \$18,000)	\$25,300

The smallest of these three figures, \$17,000, is added to the Preliminary Adjusted Gross Income of \$50,000, making the Adjusted Gross Income \$67,000.

**Example – Single Person**

Suppose a person had:

Preliminary Adjusted Gross Income	\$10,000
Tax-free bond interest	2,000
50% of \$10,000 in Social Security benefits	<u>5,000</u>
Modified Adjusted Gross Income (MAGI)	\$17,000
Excess of MAGI over first threshold (\$25,000)	\$0

The Social Security benefit is not taxable in this case since the income of \$17,000 is less than the base amount of \$25,000 for a single person

For more information on what is taxed, you should refer to IRS Publication 554, ***Tax Guide for Seniors***, and IRS Publication 915, ***Social Security and Equivalent Railroad Retirement Benefits***. You can use the worksheets in these publications to determine if your benefits are taxable. You can also contact the IRS at [1-800-829-3676](tel:1-800-829-3676), TTY [1-800-829-4059](tel:1-800-829-4059), or visit www.irs.gov.

Retirement Benefits

Social Security retirement benefits are the base of retirement income for most Americans – 9 out of 10 people age 65 or older receive monthly benefits. This section will help you understand how you qualify, how continuing to work can affect your benefits, and the difference between retiring early, at full retirement age, or late so you can make knowledgeable retirement planning decisions.

All monthly benefits are based on your **Primary Insurance Amount (PIA)**, which is the amount you would receive if you retired at your **full retirement age (FRA)**. The FRA is gradually increasing to 67 for those born in 1960 and later ([pages 25](#) and [73](#)). In 2022, the FRA is 66 and 4 months (born January 2, 1956, through January 1, 1957 – see the note at the bottom of [page 20](#) for people born on the first day of the month).

To calculate your PIA, your actual earnings are “indexed” to account for changes in average wages since the year your earnings were received. You use your 35 highest years of “indexed” earnings to figure your benefit amount. These earnings are averaged and then used in the PIA formula (described on [page 70](#)). You use the index factors and benefit formulas from the year you turn age 62. If you were born in 1960 or later (age 62 and younger), you can follow the step-by-step instructions for calculating your benefit on [pages 20-22](#).

EASY-REFERENCE TABLE

The following table shows **approximate** monthly benefits at FRA for you and your spouse. It is assumed that you have worked steadily since age 22 and received average pay raises throughout your working career. It is also assumed that your earnings, and the general level of wages and salaries in the country, will stay the same until you retire. This way, **the table shows the value of your benefits in today’s dollars**.

Your spouse may, instead, qualify for a higher retirement benefit based on her or his own work record.

Starting with the year you turn 62, you apply the annual cost-of-living adjustments (COLAs) to your benefit (and PIA) whether or not you are retired. These **COLAs** are effective for December and are normally payable in January. They are included in the table for people who became 62 before 2022. No COLAs are projected in the table for December 2022 or later.

A **Maximum Family Benefit** applies if more than two people receive payments on the same Social Security record ([page 34](#)).

The table below shows only approximate retirement benefits. For a more accurate figure, follow the steps on [pages 20-22](#). For an exact figure, you need your entire earnings history.

Monthly Benefits at Full Retirement Age (FRA)							
Your Age in 2022	Who Receives Benefits	Your Present Annual Earnings					
		\$25,000	\$45,000	\$65,000	\$85,000	\$105,000	\$147,000 and Up
66	You	\$1,180	\$1,659	\$2,138	\$2,563	\$2,788	\$3,313
	Spouse	590	829	1,069	1,281	1,394	1,656
65	You	1,188	1,671	2,154	2,581	2,807	3,336
	Spouse	594	835	1,077	1,290	1,403	1,668
64	You	1,212	1,704	2,196	2,632	2,863	3,402
	Spouse	606	852	1,098	1,316	1,431	1,701
63	You	1,240	1,743	2,247	2,694	2,930	3,482
	Spouse	620	871	1,123	1,347	1,465	1,741
62	You	1,205	1,695	2,184	2,618	2,847	3,384
	Spouse	602	847	1,092	1,309	1,423	1,692
61	You	1,207	1,698	2,189	2,621	2,851	3,389
	Spouse	603	849	1,094	1,310	1,425	1,694
55	You	1,218	1,718	2,218	2,639	2,873	3,415
	Spouse	609	859	1,109	1,319	1,436	1,707
50	You	1,227	1,735	2,242	2,653	2,891	3,434
	Spouse	613	867	1,121	1,326	1,445	1,717
45	You	1,237	1,752	2,266	2,668	2,910	3,450
	Spouse	618	876	1,133	1,334	1,455	1,725
40	You	1,246	1,768	2,291	2,683	2,928	3,463
	Spouse	623	884	1,145	1,341	1,464	1,731
35	You	1,256	1,785	2,315	2,698	2,946	3,477
	Spouse	628	892	1,157	1,349	1,473	1,738
30	You	1,260	1,793	2,327	2,705	2,955	3,480
	Spouse	630	896	1,163	1,352	1,477	1,740

BENEFITS AS A PERCENTAGE OF PAY

The table on [page 18](#) gives you a close estimate of your benefit at FRA in today's dollars. Inflation will cause the actual benefit amounts to be higher. The following table illustrates the benefit at FRA as a percentage of pay subject to the Social Security tax. It applies to anyone who has had steady earnings.

For example, if you earn \$56,000 (the U.S. average earnings), you could expect a benefit of about 41% of your final level of pay. If no future inflation occurs, your annual benefit would be about \$22,960 per year (41% of \$56,000).

If you always had maximum taxable earnings, you can expect to receive about 27% of the portion of your pay subject to the Social Security tax. Replacement ratio refers to the percentage of your pay that is replaced by your Social Security retirement benefit.

Social Security Replacement Ratios for Retirement at FRA		
Salary Level	Estimated Annual Salary	Replacement Ratio
Low	\$25,000	56%
Medium	\$56,000	41%
High	\$90,000	34%
Maximum	\$147,000	27%



QUALIFICATIONS FOR RETIREMENT BENEFITS

To qualify for retirement benefits, you must be fully insured; that is, you must have earned the required number of Social Security credits. Most workers need **40 credits** to qualify for retirement benefits — or about 10 years of work.

Through 1977, you earned one credit for each calendar quarter in which you had wages or salary of at least \$50 in covered employment. Since 1978, you earn credits on the basis of your annual earnings up to four credits in any year. In 2022, one credit is recorded for every **\$1,510** you earn during the year, with four credits if you earn \$6,040 or more. The amount can increase each year based on wage inflation. (The amounts required to earn a credit in 1978-2022 are shown on the worksheet on [page 74](#).)

HOW TO FIGURE YOUR RETIREMENT BENEFIT AMOUNT

This section gives step-by-step instructions for calculating your **Primary Insurance Amount (PIA)**. All benefit amounts are derived from the PIA. For answers to the commonly asked questions about Social Security, see [pages 68-70](#).

Your retirement benefit is based on your PIA. To figure your PIA, you need to know your **Average Indexed Monthly Earnings (AIME)**, which is based on your lifetime earnings history. If you were born in 1960 or later, you can figure your AIME by following the steps on the [next page](#). (If you were born before 1960, see [page 71](#).) This will enable you to make a good estimate of your PIA.

IMPORTANT

For Social Security (and Medicare) purposes, you “reach an age” on the day before your birthday. Thus, if you were born on January 1, you are considered to have been born in the previous year ([page 29](#)).



The PIA is the amount payable to you at your FRA; see [page 25](#) for your FRA. If you start your benefit earlier, it will be less than the PIA ([page 26](#)). If you start your benefit later, it will be more than the PIA ([page 29](#)).

How to Figure Your AIME and PIA:

1. In column C of the worksheet on [page 74](#), enter your earnings for each year after you turned age 21. You can get this information from the Social Security Administration. If your earnings for any year were more than the Maximum Taxable Amount, use the maximum only.
2. On the last two lines of column C, enter your expected earnings for 2022 and for all future years that you plan to work after 2022. Assume future earnings to be the same as 2022, so your benefit will be more closely related to the value of today's dollar. Remember that higher earnings resulting from the increase in the cost of living will be balanced by higher costs generally. If you are 62 in 2022 or earlier, do not consider earnings after 2021 when figuring the benefit payable in 2022.
3. Multiply the earnings for all years by the Index Factors in column D. The index factors make past earnings comparable to the level of earnings today. Enter the results of your multiplication in column E, Indexed Earnings.
4. Use the 35 highest years of earnings (after indexing) to figure your AIME. If you have fewer than 35 years of earnings, use zero for each of the remaining years.
5. On the worksheet, put check marks in column F by the years of highest indexed earnings shown in column E. Continue until you have checked 35 years. For the "2023+" box, write the number of years that it represents if this is a high year.
6. Add up all the indexed earnings in column E for the years you have checked in column F. (If the "2023+" line is to be used, multiply the number in column F by the earnings in column E and use the result in the addition.)
\$ _____
7. Divide the total earnings shown in step 6 by **420** (35 years x 12 months) to get your Average Indexed Monthly Earnings (AIME) (drop cents).
\$ _____

Now, to Figure Your PIA:

- If you were born in 1960 or later, look at the table on [pages 41-42](#). Find the number in the first column that is closest to your AIME. The numbers on this line are your approximate PIA and the other benefits that are available. Refer to the table on [page 27](#) for the percent of the PIA payable at age 62.

For a more precise benefit determination, apply the 2022 PIA benefit formula shown on [page 70](#). After you get your benefit amount, you apply the cost-of-living percentage effective for December of the year in which you reach age 62 and for all subsequent years, whether or not you have actually retired.

WHEN TO BEGIN RETIREMENT BENEFITS

When is the best time to retire? The answer depends on your personal situation including your financial needs, health, family longevity, continuing to work, and other retirement income.

Under Full Retirement Age and Working

If you have not reached full retirement age (FRA) and you are still working with substantial earnings, it is usually not advantageous to begin benefits. The benefits might not be needed for current living expenses, and they will be permanently reduced ([page 26](#)), subject to the earnings limit ([page 35](#)), and more likely to be taxed ([page 15](#)). It would also cause a reduction in benefits to your widow or widower ([page 57](#)). The longer you wait to begin receiving your Social Security benefit, the higher the amount you could receive. For each year you wait, your higher earnings will be used to calculate your benefit. Also after your full retirement age, delayed retirement credits will be added to your future benefit amount.

Under Full Retirement Age and Retired

If you are retired before reaching FRA, you may need to begin receiving benefits in order to meet your current living expenses. Benefits will at least be partially tax-free and they may enable you to delay drawing income from assets that are growing on a tax-favored basis.

At Full Retirement Age or Later

If you do not need Social Security to meet your current living expenses and you are in good health, you might decide to delay entitlement until you reach FRA or later and receive larger benefits. The federal government guarantees your benefits for life, they increase with automatic annual

cost-of-living increases, and the widow(er) benefit payable to your surviving spouse will be higher. A higher Social Security benefit that is payable for life and protected against inflation can help offset the risks you may have in the rest of your personal investments. These risks include inflation, poor investment performance, market downturns, and outliving your income-producing assets. Also at FRA or later, there is no earnings limitation if you continue to work and collect your full Social Security benefit.



Example – Monthly Benefits for Various Retirement Ages

The age you retire will affect your Social Security retirement benefit. The amount you receive before your full retirement age (FRA) will be reduced depending on the number of months you retire before FRA ([page 26](#)).

If you wait until after your FRA, your benefit will increase each month based on your delayed retirement credits ([page 29](#)). The following chart shows examples of how monthly benefits are affected depending on the age you choose to retire based on an FRA of 66 and 4 months and a monthly benefit of \$1,500. If you decide to retire at age 62, the earliest retirement age, your benefit would be reduced by 26.67% to \$1,100. This is generally a permanent reduction. For each month that you wait to retire, the reduction gets smaller until you reach 100% of your benefit at FRA. Then if you delay retiring until age 70, your monthly benefit would increase by 29.33% to \$1,940. **DRCs are earned for each month you delay retiring after your FRA, but stop at age 70, so there is no reason to wait beyond this age.** At whatever age you decide, this will be your benefit amount but will be updated each year by the cost-of-living adjustment (COLA).

**Monthly Benefit Amount Examples Based on Retirement Age
(Assumes an FRA of 66 and 4 months and \$1,500 monthly benefit)**

Benefits Start At Age	Monthly Benefit Amount	Percent Different from FRA
62	\$1,100	-26.67%
63	\$1,175	-21.67%
64	\$1,267	-15.56%
65	\$1,367	-8.89%
66 and 4 months	\$1,500	
67	\$1,580	+5.33%
68	\$1,700	+13.33%
69	\$1,820	+21.33%
70	\$1,940	+29.33%

Deemed Filing for Retirement and Spouse's Benefits

The *Bipartisan Budget Act of 2015* established new rules for deemed filing which affects claiming retirement and spouse's benefits, but **not** survivor benefits. Deemed filing means when you file for either your retirement or spouse's benefit, you are "deemed" or required to file for the other benefit too, even if you don't become eligible for it until later. This occurs because your spouse must be receiving retirement benefits for you to claim a benefit on their work record. The monthly benefit could be a combination of the two benefits that equals the higher amount. The Budget Act closed a loophole that allowed you to receive one type of benefit while delaying the other benefit in order to earn delayed retirement credits (DRCs).

Exceptions to the Deemed Filing Rule

Exceptions when deemed filing does not apply include if you receive a spouse's benefit due to caring for an eligible child, or if you receive a spouse's benefit and are also entitled to a disability benefit. Survivor benefits are **not** included so you can receive your survivor benefit now, then wait to start your retirement benefit later, but you must file a **restricted application** when you apply for benefits.



Example – Exception for Survivor Benefits

Kim is age 62 and is eligible for both a retirement benefit based on her work record and a survivor's benefit. Kim can restrict her application to only start her survivor's benefit. Since the deemed filing law does not apply to survivor benefits, Kim can earn DRCs on her own work record. At age 70, she starts her increased retirement benefit. She could get a combination of the two benefits that equals the higher amount.

File and Suspend Benefits (Voluntary Suspension)

This provision allows a worker starting at full retirement age (FRA) to suspend receiving benefits to earn DRCs on their work record and could continue through the month before reaching age 70 (DRCs stop at age 70). Suspended benefits include any additional benefits you are eligible for on someone else's work record. If you resume benefits before age 70, then the benefits would start in the month following the month of the request.

When a worker's benefits are suspended, all benefits based on the worker's earnings record are suspended (excluding divorced spouses). This would suspend any **current** spouse's benefits.

Start Over

If you are already receiving Social Security retirement benefits, you can start your benefit over within 12 months of the first month of entitlement and limited to one withdrawal. You can file a “Request for Withdrawal of Application” (Form 521), and your benefits stop immediately. The SSA will tell you how much you are required to pay back including any family members who received benefits based on your work record. After your repayment, you would reapply for benefits. The advantages of doing this are your monthly benefit amount will be higher based on your current age and the SSA does not charge interest on the repayment.

Medicare Benefits at Age 65

Regardless of the age you retire, Medicare benefits start at age 65. You should apply three months before reaching age 65, regardless of when you reach full retirement age. If you have coverage under a plan by an employer with 20 or more employees based on your or your spouse’s current employment, you will usually want to wait until you retire to apply for Part B. This is because the employer plan may be the primary payer, and Medicare Part B may offer little, if any, additional coverage to justify paying the Part B premium. You must tell the SSA that you don’t want Part B.

How to Decide When to Start Benefits

The following sections explain in detail, with examples, how early you can start your benefits, how they are reduced if you start them before you reach your full retirement age (FRA), and how they are increased by delaying them until FRA or later.

Each person needs to consider these options based on his or her own needs and circumstances, including health and life expectancy. There isn’t one choice that is best for everybody.

FULL RETIREMENT AGE

The full retirement age (FRA) gradually increases to age 67 for people born in 1960 and later – see the following table. The benefit at the FRA is the Primary Insurance Amount (PIA).

The FRAs are shown for retired worker and spouse benefits. The FRAs for surviving spouse benefits are slightly different (for instance, 66 and 2 months for people born in 1957 and 67 for people born in 1962 and after) and are shown in the third column. A detailed table of FRAs, early-retirement percentages, and delayed-retirement percentages is on [page 73](#).

Full Retirement Age for Retired Worker and Spouse Benefits	Year of Birth	Full Retirement Age for Surviving Spouse Benefits
66	1945-54	66
66 and 2 months	1955	66
66 and 4 months	1956	66
66 and 6 months	1957	66 and 2 months
66 and 8 months	1958	66 and 4 months
66 and 10 months	1959	66 and 6 months
67	1960	66 and 8 months
67	1961	66 and 10 months
67	1962 and after	67

IMPORTANT

The FRA for Social Security is gradually rising to age 67, but the Medicare eligibility age is still 65.

**EARLY RETIREMENT**

If you begin entitlement to retirement benefits at your FRA ([page 25](#)), the benefit is 100% of your Primary Insurance Amount (PIA). However, if you are fully insured, you can claim permanently reduced benefits as early as the first full month that you are age 62 ([page 29](#)).

You will receive more monthly benefit payments because they will begin sooner. Accordingly, the benefit is reduced. This way, the total benefits you receive will have about the same value assuming that you live to an average age.

Your benefit does not increase to the full PIA when you reach FRA. However, if your benefit is suspended for any month because of the earnings limit ([page 35](#)), this reduction will be adjusted when you reach FRA. The permanent reduction will no longer include months that your benefit was suspended, in whole or in part, because of your earnings.

How much your benefit is reduced for early retirement depends on how many months younger you are than your FRA when your benefit entitlement begins. For example, if you were born in 1960 or later, your FRA is 67 and your reduced benefit at 62 will be 70% of your PIA. A detailed table of FRAs, early-retirement percentages, and delayed-retirement percentages is on [page 73](#).



Examples – Reduced Retirement Benefits for Workers

You will receive this percent of your PIA if you retire at age:					
Year of Birth	62	63	64	65	66
1957	72.5%	77.5%	83.3%	90.0%	96.6%
1958	71.6	76.6	82.2	88.8	95.5
1959	70.8	75.8	81.1	87.7	94.4
1960 and later	70.0	75.0	80.0	86.6	93.3

Note: Decimals are rounded down.

You may retire at ages between the ones shown. The reduction factor applied to the PIA is $\frac{5}{9}$ of 1% for each of the first 36 months before FRA, plus $\frac{5}{12}$ of 1% for each month in excess of 36.

These reduction factors are for workers only. Different reduction factors are used for spouses ([page 72](#)).





Examples – Retire at Age 62 or the Full Retirement Age (FRA)?

The following examples illustrate the difference between electing permanently reduced retirement benefits at 62 or waiting until your FRA. For ease of illustration, the examples do not project future COLAs.

Example #1 – FRA 66 and 4 months (Born 1956)

Full Retirement Age (FRA)	66 and 4 months
Primary Insurance Amount (PIA)	\$1,500
Monthly benefit at FRA	\$1,500
Monthly benefit at 62 (52 months before FRA)	\$1,100 (73 $\frac{1}{3}$ % of the PIA)

$\$1,100 \times 52 \text{ months} = \$57,200$ initial advantage at age 66 and 4 months
 $\$57,200 \div \400 (permanent reduction) = 143 months or 11 years and 11 months.

The initial advantage continues until age 78 and 3 months (66 and 4 months + 11 years and 11 months), which is the break-even age for total lifetime benefits.

Example #2 – FRA 67 (Born 1960+)

FRA	67
PIA	\$1,500
Monthly benefit at FRA	\$1,500
Monthly benefit at 62 (60 months before FRA)	\$1,050 (70% of the PIA)

$\$1,050 \times 60 \text{ months} = \$63,000$ initial advantage at FRA.
 $\$63,000 \div \450 (permanent reduction) = 140 months or 11 years and 8 months.

The initial advantage continues until age 78 and 8 months (67 + 11 years and 8 months), which is the break-even age for total lifetime benefits.



THE FIRST FULL MONTH THAT YOU ARE AGE 62 (Earliest Month Of Eligibility)

For Social Security and Medicare purposes, you “reach an age” on the day before your birthday.

- **If your birthday is on the first of the month**, you attain age 62 on the last day of the preceding month. The month of your birthday is the first full month that you are 62.
- **If your birthday is on the second of the month**, you attain your age on the first, and you are 62 for the full month.
- **If your birthday is after the second of the month**, the following month is the first full month that you are 62.

DELAYED RETIREMENT CREDITS

If you are eligible for retirement benefits, you can choose not to receive them and earn delayed retirement credits (**DRCs**) for any month from full retirement age (FRA) ([page 25](#)) up to age 70. DRCs increase the benefit for the retired worker but not the spouse. However, DRCs earned by the worker do increase the benefit payable to the widow(er). See [page 73](#) for a table of FRAs, early-retirement percentages, and delayed-retirement percentages.

If you were born in 1943 and later, you earn 8% DRCs for each full year (prorated for months) up to age 70. The table below shows the DRC percentages at various ages.

You will receive this percent of your PIA if you retire at age:					
Year of Birth	Full Retirement Age (FRA)	67	68	69	70
1943-1954	66	8%	16%	24%	32%
1955	66 and 2 months	6 $\frac{2}{3}$	14 $\frac{2}{3}$	22 $\frac{2}{3}$	30 $\frac{2}{3}$
1956	66 and 4 months	5 $\frac{1}{2}$	13 $\frac{1}{2}$	21 $\frac{1}{2}$	29 $\frac{1}{2}$
1957	66 and 6 months	4	12	20	28
1958	66 and 8 months	2 $\frac{2}{3}$	10 $\frac{2}{3}$	18 $\frac{2}{3}$	26 $\frac{2}{3}$
1959	66 and 10 months	1 $\frac{1}{2}$	9 $\frac{1}{2}$	17 $\frac{1}{2}$	25 $\frac{1}{2}$
1960 and later	67	–	8	16	24

If you continue working after you attain FRA, you might want to take advantage of the ***Senior Citizens' Freedom to Work Act of 2000*** ([page 35](#)) and collect benefits. A small number of people, however, may choose to wait to receive benefits up to as late as age 70 in order to earn DRCs. There are at least three reasons why you might delay benefits and earn DRCs.

1. Your income from working may be adequate, and the DRCs will increase your benefit when the income from Social Security is needed more.
2. More of your benefits may be subject to income taxes if they are received while you still have income from working.
3. The DRCs will increase the benefit payable to your widow(er).



Examples – Retire at FRA or Age 70?

The following examples show comparisons between starting retirement benefits at full retirement age (FRA) versus waiting until age 70 and earning DRCs. For ease of illustration, annual COLAs, which are credited in either event, are not projected.

Mr. and Mrs. Wilson attain FRA in 2022. Mr. Wilson has always been a maximum earner and is eligible for \$3,313 per month. He does not plan to retire. He can start benefits at FRA or wait up to age 70 to earn DRCs.

The calculation below illustrates that retiring at FRA will keep Mr. Wilson ahead in total benefits until age 82 and 6 months. The average life expectancy for a person age 65 in 2022 is about age 84 for a man and 87 for a woman.

If Mr. Wilson earns the full 29¹/₃% increase for DRCs and dies before Mrs. Wilson, she will be converted from a spouse's benefit of \$1,656 to a widow's benefit of \$4,284. If he starts benefits at FRA, her widow's benefit will be \$3,313.

Beneficiaries with an FRA ranging from 66 and 4 months to 67 who start their benefits at FRA instead of waiting until age 70 will be ahead in total benefits received until age 82-1/2. This is because there is a shorter period to accrue benefits or earn DRCs even though the annual DRC rate is 8%. The following examples show these calculations.

Example #1 – FRA 66 and 4 months (Born 1956)

Monthly benefit at FRA	\$3,313
------------------------	---------

Monthly benefit at 70	\$4,284
-----------------------	---------

(3 years and 8 months x 8% DRCs added = 29 $\frac{1}{3}$ % increase of \$971)

$\$3,313 \times 44 \text{ months} = \$145,772$ accrued benefits at age 70

$\$145,772 \div \$971 = 150 \text{ months}$ or 12 $\frac{1}{2}$ years which is age 82 $\frac{1}{2}$

Example #2 – FRA 67 (Born 1960+)

Monthly benefit at FRA	\$3,313
------------------------	---------

Monthly benefit at 70	\$4,108
-----------------------	---------

(3 years x 8% DRCs added = 24% increase of \$795)

$\$3,313 \times 36 \text{ months} = \$119,268$ accrued benefits at age 70

$\$119,268 \div \$795 = 150 \text{ months}$ or 12 $\frac{1}{2}$ years which is age 82 $\frac{1}{2}$

FAMILY BENEFITS

When you become entitled to Social Security retirement benefits, your spouse and children may also be eligible for benefits on your earnings record. You must begin your benefit before they can collect benefits on your record. Their benefits are in addition to yours and are figured as a percentage of your Primary Insurance Amount (PIA), not your benefit amount, subject to the family maximum (150-188% of your PIA) – see [page 34](#). The family maximum can reduce all benefits except the worker's benefit. After the application of the maximum, your retirement benefit will be lower than your PIA if it begins before FRA, and it will be larger if you do not claim benefits until after FRA.

Who Receives Benefits When You Retire

Benefits Paid To	Percent of Your PIA Payable*
Spouse at full retirement age (FRA)	50%
Spouse at age 62	32 $\frac{1}{2}$ %
Spouse at any age with eligible child who is under age 16 or disabled	50%
Each eligible child	50%

*Benefits may be limited by the family maximum ([page 34](#)).

Spouse

To qualify, your spouse must have been married to you for at least one year or be the parent of your child. A spouse who first becomes entitled to benefits at FRA or later may receive an amount equal to 50% of your **PIA** (not necessarily your benefit amount). There is no advantage to waiting beyond FRA if you are **only** eligible for a spouse's benefit. At age 62, your spouse may receive permanently reduced benefits. As the FRA gradually increases to 67, the percentage of the worker's PIA payable to the spouse at age 62 will gradually decrease to 32-1/2% for people born in 1960 and later. This reduction does not affect the amount of a future widow(er) benefit.

If your spouse is also insured for a retirement benefit, that benefit will be paid, plus a spouse's benefit limited to the excess (if any) by which 50% of your PIA exceeds her or his own PIA. This excess is reduced if the spouse's benefit starts before the FRA. The spouse's benefit is then added to her or his own retirement benefit. Social Security does this automatically – it is not a matter of choice when reduced benefits are claimed.

A **spouse who is caring for your eligible child** is entitled to an amount equal to 50% of your PIA. The eligible child must be under age 16 (or any age, if disabled before age 22). In this case, no reduction is made because of the spouse's age.

Your **unmarried divorced spouse** may be entitled to benefits starting at age 62 if married to you for at least 10 years if you are at least age 62 (whether retired or not) or are receiving Social Security disability benefits. This benefit is not payable if your divorced spouse is remarried unless the marriage is to a person receiving benefits as a widow, widower, parent, or disabled adult child. If you are 62 but not retired, then the divorce must have occurred at least two years ago before your divorced spouse can receive the benefit. If you were entitled before the divorce, there is no waiting period.





Examples – Family Benefits

Example #1 – Eligible Spouse Who is Not Insured for Own Retirement Benefit

Kathy is age 62 in 2022. She is not insured for retirement benefits on her own work record. Her husband, Dan, is receiving retirement benefits. His PIA is \$1,400.

Kathy's fully reduced spouse's benefit at age 62 is \$455 ($\$1,400 \times .325$). If she waits until her FRA (67 in this example), she would receive a monthly spouse's benefit of \$700 (50% of Dan's PIA), plus the intervening COLAs.

Example #2 – Eligible Spouse Who is also Insured for a Retirement Benefit

Kathy is insured for a retirement benefit. Her PIA is \$500. Again, she is age 62 in 2022 and her husband, Dan, is receiving retirement benefits and has a PIA of \$1,400.

Kathy's PIA of \$500 is reduced 30% for an age-62 retirement benefit of \$350. Her spouse's benefit is \$130, calculated as follows:

\$700	(50% of Dan's PIA)
– 500	(Kathy's PIA)
\$200	(excess)
x .650	(see the spouse reduction factors on page 72)
\$130	

Kathy receives a total of \$480 per month ($\$350 + \130).

Consider this same example, except that Dan didn't become entitled to retirement benefits until Kathy had already attained her full retirement age (67 in this case). Kathy would be eligible for an unreduced spouse's benefit of \$200 and would receive a total of \$550 per month ($\350 reduced retirement benefit plus $\$200$ unreduced spouse's benefit), plus the intervening COLAs.

Example #3 – Spouse’s Own PIA Exceeds 50% of the PIA of the Other Spouse

Kathy’s own PIA is \$1,000. Since this is more than \$700 (50% of Dan’s PIA of \$1,400), she is entitled **only** to her own retirement benefit and not a spouse’s benefit. If she becomes entitled at age 62 (60 months before her FRA), her benefit will be \$700 ($\$1,000 \times .7$). If she waits until her FRA (67) to become entitled, her retirement benefit will be \$1,000 – the PIA (plus the intervening COLAs). Also, there is no family maximum in this case since each spouse receives a retirement benefit on her or his own Social Security earnings record.

Example #4 – Eligible Unmarried Divorced Spouse Who is Not Insured for Own Retirement Benefit

Dan’s divorced spouse, Kim, is unmarried and age 62 in 2022. She is not insured for a Social Security benefit. If Dan is age 62 or older, whether retired or not, Kim can receive a divorced spouse’s benefit based on his work record. Kim’s age 62 benefit is \$455 (reduced for early retirement). Kim’s benefit would not count towards the family maximum (see below).

Eligible Child

An eligible child includes your natural child, adopted child, stepchild (who must be dependent on you for at least 50% support), and dependent grandchild (if the parents are deceased or disabled). The child must be unmarried and any one of the following:

- Under age 18
- Up to 19, if in high school
- Any age, if disabled before 22

Each child is entitled to 50% of the parents’ PIA – based on the PIA of either parent, whichever is greater, but not both.

Maximum Family Benefit

The amount of benefits that members of one family may receive on the earnings record of one worker is limited. The table on [pages 41-42](#) shows examples of Maximum Family Benefits. (The calculation rules are on [page 72](#).)

The family maximum applies before any reduction for early retirement or any increase for late retirement. **The family maximum does not apply if both the**

husband and wife receive a retirement benefit based only on their own work records (see preceding example #3).

If the sum of the individual benefits based on your earnings record is more than the maximum, the benefits of the family members will be reduced proportionately to bring the total within the limit. Your worker's benefit will not be reduced. An example on [page 59](#) shows how this applies to survivor benefits.

The amount payable to a divorced spouse or surviving divorced spouse is not included in the family maximum, except if the surviving divorced spouse qualifies only on the basis of caring for a child of the worker.

THE RETIREMENT EARNINGS LIMIT

The *Senior Citizens' Freedom to Work Act of 2000* eliminated the retirement earnings test for people who have attained full retirement age (FRA) (see [page 25](#)).

A limit on earnings from current work continues to apply to beneficiaries under FRA. The earnings limit is a retirement test and is a separate issue from income taxes ([page 15](#)). If you earn more than the exempt amount, your benefits and your family members' benefits that are based on your work record will be reduced. If a family member earns more than the exempt amount, only that person's benefit is reduced.

If you apply for benefits before attaining FRA and your benefits are withheld because of the earnings test, you will receive a letter three months before your FRA notifying you that your benefits will automatically be reinstated at your FRA. The good news is that when you reach FRA, your benefits will be increased for any month you didn't get a benefit or received a reduced benefit. Your earnings during this time may also increase your average earnings and could increase your monthly benefit amount. This is an automatic process and benefits are paid in December of the following year. For example, in December 2022, your benefit could get an increase if your 2021 earnings raised your benefit. The increase would be retroactive to January 2022. (See [page 26](#) about when the reduction factor can be refigured at FRA, and [page 29](#) about delaying entitlement beyond FRA.)

Foreign Work Test

Until FRA, work activity over 45 hours a month outside the U.S. that is not covered by Social Security will cause suspension of benefits. The regular test applies to covered employment.

Retirement Test Under Full Retirement Age (FRA) in 2022

If you are under FRA throughout 2022, you can earn **\$19,560**. If your earnings exceed this, then \$1 of benefits is withheld for every \$2 you earn above \$19,560. If your earnings exceed this limit, some benefits may still be payable.



Examples – Under FRA Throughout 2022

Example #1

Ms. Johnson applies for benefits in January 2022. March 2022 is the first full month that she is age 62. She works throughout the year earning \$28,560. Her monthly Social Security benefit is \$800.

$$(\$28,560 - \$19,560) \div 2 = \$4,500$$

In this example, \$4,500 of benefits are withheld for the five months of March through July ($\$800 \times 5 = \$4,000$), and a partial benefit of \$300 ($\$800 - [\$4,500 - \$4,000]$) is payable for August. Her monthly benefit of \$800 is payable for September through December.

Example #2

The following table shows examples of Social Security retirement benefits for people under FRA throughout 2022 who continue to work and collect Social Security retirement benefits. It is assumed that you are receiving a benefit in January. In all the examples, if you earn \$19,560 or less, there is no reduction in your annual retirement benefit. For annual salaries above \$19,560, the reduction of \$1 for every \$2 earned over the limit is applied.

Monthly Social Security Benefit	Annual Earnings	Annual Benefits Paid in 2022
\$900	\$19,560 or less	\$10,800
\$900	\$25,000	\$8,080
\$900	\$30,000	\$5,580
\$1,100	\$19,560 or less	\$13,200
\$1,100	\$25,000	\$10,480
\$1,100	\$30,000	\$7,980
\$1,500	\$19,560 or less	\$18,000
\$1,500	\$25,000	\$15,280
\$1,500	\$30,000	\$12,780

Retirement Test at Full Retirement Age or Older in 2022

If you attain FRA in 2022, you can earn \$51,960 in the period before the month in which you attain FRA with no reduction in benefits. If your earnings exceed this, then \$1 in benefits is withheld for every \$3 you earn above \$51,960.

There is **no earnings limit** for the month that you attain FRA, and later. This means you will receive your Social Security benefit without a reduction for current earnings.

If you apply for benefits after attaining your FRA, your application can be retroactive for up to six months but not for any month before FRA. In the small percentage of cases where someone chooses not to receive benefits at FRA in order to earn delayed retirement credits (DRCs) ([page 29](#)), it is still advisable to apply no later than FRA + 6 months. Benefits can be suspended if requested and reinstated at any time. At age 70, when DRCs can no longer be earned, benefits will automatically be reinstated.



Examples – Attaining FRA in 2022

The following two examples show when benefits can start for a working beneficiary attaining FRA in 2022.

Example #1

Mr. Smith applied for benefits in January 2022 and attains FRA in July 2022. He is working throughout 2022, earning \$109,920. His earnings in the period January through June are \$54,960.

$$(\$54,960 - \$51,960) \div 3 = \$1,000$$

In this example, \$1,000 of benefits are withheld for the period January through June. If his monthly benefit is over \$1,000, then a partial benefit is payable for January, and the full benefit would begin with February.

Example #2

Mr. Smith's earnings for 2022 are \$250,000. He earns \$125,000 in the period January through June. As in Example 1, he applied for benefits in January and attains FRA in July. His monthly benefit amount is \$3,202.

$$(\$125,000 - \$51,960) \div 3 = \$24,346$$

Example #2 – continued

In this example, the \$24,346 exceeds the \$19,212 of benefits for the period January through June. His benefits begin with July because regardless of earnings, benefits are payable for the month that FRA is attained and after. Mr. Smith also applied for benefits six months prior to his FRA but since he didn't receive a benefit for any of these months due to his earnings, his monthly benefit would not be reduced for early retirement.

In both of these examples, Mr. Smith applied for benefits in January. If he had waited until July to apply for benefits, then no benefits would have been payable before July because an application for retirement benefits cannot be retroactive for any month prior to FRA.

If Mr. Smith is **self-employed**, his net profit in the year he attains FRA is prorated for purposes of the retirement earnings test. For example, if he has a net profit of \$120,000, it is prorated at \$10,000 per month. In the above examples, his earnings would be \$60,000 for the period January through June. In some cases, self-employment income can be attributed to specific months, such as director fees paid for attending board meetings.

Special Monthly Test in First Year of Retirement if Under FRA

Many people who retire in mid-year have already earned more than the annual earnings limit. In this first year, the monthly test can be used so earnings prior to the month of retirement are not counted toward the earnings limit. If there is a month that you are entitled to benefits and do not earn more than 1/12 of the annual earnings limit, a monthly test is used **if it gives you better results** than the annual test just described. During that year, beginning with your month of entitlement, you can receive your benefit for any month that you do not earn more than 1/12 of the earnings limit. If you earn more than 1/12 of the annual limit, benefits are not payable for that month unless they are payable under the regular annual test.

If you are self-employed, a special alternative test applies in the first year you receive benefits and have, at the same time, a month when you do not perform substantial services in self-employment. In general, fewer than 15 hours of services in a month is not considered substantial while more than 45 hours of services in a month is considered substantial. Between those guidelines, your services are considered substantial if you are in a highly skilled occupation.



Example – Monthly Test in First Year of Retirement

Bruce Jones retires at age 62 on July 31, 2022. He will make \$45,000 through July. He takes a part-time job starting in August that pays \$500 per month. Even though his earnings for the year exceed the 2022 earnings limit (\$19,560), he will receive his full Social Security benefit for August through December due to the special test for the first year of retirement. This is because his earnings in those months are less than 1/12 of the annual limit or \$1,630 for people under their full retirement age throughout 2022. If Mr. Jones earns more than \$1,630 a month in August through December, he will not receive a benefit for that month unless it is payable under the regular annual test. In 2023 and after, only the annual earnings limit will apply to him.

Special Payments After Retirement

After you retire, you may receive special payments for work you did before you started getting Social Security benefits. Usually, these special payments will not affect your Social Security benefit if they are compensation for work done before you retired. These amounts may be shown on your W-2 in the box labeled “Nonqualified Plan.”

Special payments that are **not counted** towards the earnings limit include:

- Pensions and retirement pay
- Severance payments due to retirement
- 401(k) plan and IRA withdrawals
- Employee contributions pursuant to a salary reduction under a Section 125 cafeteria plan to fund a qualified benefit
- Dividends and interest from investments (unless in the brokerage business) and capital gains
- Rental income unless you are in the real estate business
- Sick pay paid more than six months after the month last worked
- Workers’ compensation and unemployment insurance
- Contest or lottery winnings
- Bonuses
- Vacation pay
- Payments on account of retirement
- Deferred compensation reported on a W-2 form for one year that was earned in a previous year

Earnings from self-employment are generally counted when received, rather than when earned. However, earnings from work performed before retirement do not count toward the earnings limit (except for income earned in the year of retirement will count toward the annual limit).



Example – Special Payment of Accumulated Vacation Pay

Mr. Jones retired at age 63 and began receiving Social Security retirement benefits in November 2021. In January 2022, he received a check from his employer for \$20,000 for accumulated vacation pay he earned prior to November 2021. Since this payment exceeds the earnings limit (\$19,560 in 2022), he will need to contact the SSA and explain that this is a special payment earned prior to his retirement. Usually his explanation would be sufficient for the SSA, but they could request further explanation or documentation from his employer. The SSA will not count the payment toward the earnings limit for 2022, and he will continue to receive his full Social Security retirement benefit.

In this same example, if Mr. Jones did not contact the SSA, they would reduce his benefit based on the earnings limitation for people under the full retirement age ([page 25](#)) by \$220 $([\$20,000 - \$19,560] \div 2)$.

Total Family Benefits

Benefit reductions because of one beneficiary's excess earnings are not made if total benefits payable to the family would not be reduced. This occurs when the total family benefits are limited by the Maximum Family Benefit ([page 34](#)).



2022 BENEFIT TABLE

Monthly Social Security Benefits for People Attaining Age 62 or Becoming Disabled Before Age 62 in 2022 and for Survivors of People Dying Before Age 62 in 2022

(If your exact AIME is not shown, your benefit will be between the benefits for the AIMEs just above and below your AIME.)

Average Indexed Monthly Earnings (AIME)	Benefits for Workers and Their Families					Benefits for Survivors of Deceased Workers				Maximum Family Benefit for Retirement and Survivors ⁶	Maximum Family Benefit for Disability
	FRA ² Retirement Benefit or Disability Benefit ³	Age-62 Retirement Benefit	Benefits for Family Members			Spouse ⁴ not Caring for Child		One Child	Spouse ⁴ and One Child; or Two Children		
			Spouse ⁴ Not Caring for Child		Child or Spouse Caring for Child	FRA ⁵	Age 60 or Age 50-59 and Disabled				
			FRA ²	Age 62							
100% of PIA	70% of PIA	50% of PIA	32-1/2% of PIA	50% of PIA	100% of PIA	71-1/2% of PIA	75% of PIA	150% of PIA	150-188% of PIA	100-150% of PIA	
\$5,000	\$2,193	\$1,535	\$1,096	\$713	\$1,096	\$2,193	\$1,568	\$1,645	\$3,290	\$3,950	\$3,290
5,250	2,273	1,591	1,136	739	1,136	2,273	1,625	1,705	3,410	4,058	3,410
5,500	2,353	1,647	1,176	765	1,176	2,353	1,683	1,765	3,530	4,165	3,530
5,750	2,433	1,703	1,216	791	1,216	2,433	1,740	1,825	3,650	4,272	3,650
6,000	2,513	1,759	1,256	817	1,256	2,513	1,797	1,885	3,770	4,400	3,770
6,250	2,580	1,806	1,290	838	1,290	2,580	1,845	1,935	3,870	4,517	3,870
6,500	2,618	1,832	1,309	850	1,309	2,618	1,871	1,963	3,926	4,582	3,927
6,750	2,655	1,858	1,327	863	1,327	2,655	1,898	1,991	3,982	4,648	3,983
7,000	2,693	1,885	1,346	875	1,346	2,693	1,925	2,019	4,038	4,714	4,039
7,250	2,730	1,911	1,365	887	1,365	2,730	1,952	2,047	4,094	4,779	4,095
7,500	2,768	1,937	1,384	899	1,384	2,768	1,979	2,076	4,152	4,845	4,152
7,750	2,805	1,963	1,402	911	1,402	2,805	2,006	2,104	4,208	4,911	4,208
8,000	2,843	1,990	1,421	924	1,421	2,843	2,032	2,132	4,264	4,976	4,264
8,250	2,880	2,016	1,440	936	1,440	2,880	2,059	2,160	4,320	5,042	4,320
8,500	2,918	2,042	1,459	948	1,459	2,918	2,086	2,188	4,376	5,107	4,377
8,750	2,955	2,068	1,477	960	1,477	2,955	2,113	2,216	4,432	5,173	4,433

2022 BENEFIT TABLE

Monthly Social Security Benefits for People Attaining Age 62 or Becoming Disabled Before Age 62 in 2022 and for Survivors of People Dying Before Age 62 in 2022

(If your exact AIME is not shown, your benefit will be between the benefits for the AIMEs just above and below your AIME.)

Average Indexed Monthly Earnings (AIME)	Benefits for Workers and Their Families					Benefits for Survivors of Deceased Workers				Maximum Family Benefit for Retirement and Survivors ⁶	Maximum Family Benefit for Disability
	FRA ² Retirement Benefit or Disability Benefit ³	Age-62 Retirement Benefit	Benefits for Family Members			Spouse ⁴ not Caring for Child		One Child	Spouse ⁴ and One Child; or Two Children		
			Spouse ⁴ Not Caring for Child		Child or Spouse Caring for Child	FRA ⁵	Age 60 or Age 50-59 and Disabled				
			FRA ²	Age 62							
100% of PIA	70% of PIA	50% of PIA	32-1/2% of PIA	50% of PIA	100% of PIA	71-1/2% of PIA	75% of PIA	150% of PIA	150-188% of PIA	100-150% of PIA	
\$9,000	\$2,993	\$2,095	\$1,496	\$972	\$1,496	\$2,993	\$2,140	\$2,244	\$4,488	\$5,239	4,489
9,250	3,030	2,121	1,515	984	1,515	3,030	2,166	2,272	4,544	5,304	4,545
9,500	3,068	2,147	1,534	997	1,534	3,068	2,193	2,301	4,602	5,370	4,602
9,750	3,105	2,173	1,552	1,009	1,552	3,105	2,220	2,329	4,658	5,436	4,658
10,000	3,143	2,200	1,571	1,021	1,571	3,143	2,247	2,357	4,714	5,501	4,714
10,250	3,180	2,226	1,590	1,033	1,590	3,180	2,274	2,385	4,770	5,567	4,770
10,500	3,218	2,252	1,609	1,045	1,609	3,218	2,300	2,413	4,826	5,632	4,827
10,750	3,255	2,278	1,627	1,058	1,627	3,255	2,327	2,441	4,882	5,698	4,883
11,000	3,293	2,305	1,646	1,070	1,646	3,293	2,354	2,469	4,938	5,764	4,939
11,430 ⁷	3,357	2,350	1,678	1,091	1,678	3,357	2,400	2,518	5,036	5,877	5,036

All numbers are rounded to the next lower whole dollar in accordance with law. The Primary Insurance Amount (PIA) formula, the Maximum Family Benefit (MFB) formula, and the reduction factors for early retirement are shown on [pages 70-72](#).

¹ For people who were 62 before 2022, see [page 72](#). Benefits are increased annually for changes in the cost of living in and after the first year of eligibility (e.g., becoming age 62).

² The **full retirement age (FRA) is 67** for people attaining age 62 in 2022.

³ The disability benefit for a worker is the PIA unless the worker was already receiving a benefit reduced for early retirement.

⁴ Divorced spouses who qualify receive the same benefits as spouses. Divorced spouse benefits are not usually subject to the family maximum.

⁵ A surviving spouse's benefit at FRA is the PIA unless the worker was receiving a benefit reduced for early retirement. In that case, the benefit will be the reduced amount that the worker was receiving, but not less than 82½% of the PIA.

⁶ Any reduction for retirement before age 66 for workers, spouses, and surviving spouses is deducted.

⁷ The maximum AIME for people reaching age 62 in 2022 is generally \$11,430, resulting in an age-62 benefit of \$2,350 and FRA benefit of \$3,357, assuming no earnings at age 62 or older. For people reaching FRA in 2022, see the table on [page 18](#).

Note: In some cases (for younger, highly-paid workers), people who become disabled or die before age 62 can have AIMEs higher than \$11,430. For example, at the extreme, a worker dying at age 29 or under in 2022 can have an AIME as high as \$12,205 and a PIA of \$3,473.

WHEN YOU RECEIVE SOCIAL SECURITY BENEFITS

Benefits are paid the month after the month for which the benefit is due. For example, you receive the benefit for January in February.

Most new beneficiaries are paid on either the second, third, or fourth Wednesday of each month based on the birthday of the insured worker – see the chart below. Beneficiaries are encouraged to sign up for direct deposit of benefits.

If the insured worker's birthday is:	Then payment will be on the:
On the 1st through the 10th of the month	Second Wednesday of the month
On the 11th through the 20th of the month	Third Wednesday of the month
After the 20th of the month	Fourth Wednesday of the month

PENSIONS BASED ON NONCOVERED EMPLOYMENT

Most pensions do not reduce Social Security benefits. However, a different method of computing the retirement or disability (but not survivor) Primary Insurance Amount (PIA) can apply to people receiving a pension based on their own earnings **not covered** by Social Security. This is the **Windfall Elimination Provision (WEP)**. It applies to some government, nonprofit organization, and foreign pensions.

The WEP closes a loophole that enabled people who worked in both covered and noncovered employment from appearing to be low-wage workers and receiving a higher benefit. The PIA formula is weighted in favor of the career low-level earner because such a person is more dependent on Social Security for retirement income needs than higher-income people.

Exceptions to the WEP apply to:

- People age 62 before 1986
- People eligible for such pensions before 1986
- Disabled-worker beneficiaries disabled before 1986
- People with at least 30 years of “substantial” Social Security coverage, see [page 44](#)
- Federal employees who were mandatorily covered by Social Security on January 1, 1984
- People employed on December 31, 1983, by nonprofit organizations that were not covered by Social Security at any time before 1984
- Ministerial pensions under denominational plans for services not covered by Social Security
- Military reservist pensions

If the WEP is applicable, the 90% factor in the PIA formula ([page 70](#), first bullet) is reduced to 40%. However, for people attaining age 62 in 1990 or later who have more than 20 years of substantial earnings covered by Social Security, the 40% factor is increased. It is 45% if you have 21 years of substantial covered earnings, 50% if 22 years, and so on, until reaching 90% with 30 years. The following table lists the substantial earnings thresholds.

A guarantee protects workers with small pensions. The reduction cannot exceed one-half of that part of the pension based on noncovered earnings after 1956.

If you will get a pension based on non-covered employment, you may receive an overstated benefit estimate from Social Security because the pension is not considered for the estimate.

Year	Substantial Earnings	Year	Substantial Earnings
1972	\$2,250	1996	\$11,625
1973	2,700	1997	12,150
1974	3,300	1998	12,675
1975	3,525	1999	13,425
1976	3,825	2000	14,175
1977	4,125	2001	14,925
1978	4,425	2002	15,750
1979	4,725	2003	16,125
1980	5,100	2004	16,275
1981	5,550	2005	16,725
1982	6,075	2006	17,475
1983	6,675	2007	18,150
1984	7,050	2008	18,975
1985	7,425	2009–11	19,800
1986	7,875	2012	20,475
1987	8,175	2013	21,075
1988	8,400	2014	21,750
1989	8,925	2015–16	22,050
1990	9,525	2017	23,625
1991	9,900	2018	23,850
1992	10,350	2019	24,675
1993	10,725	2020	25,575
1994	11,250	2021	26,550
1995	11,325	2022	27,300

GOVERNMENT PENSION OFFSET

If you worked for a federal, state, or local government and you were **not covered by Social Security throughout your last 60 months of employment**, your potential Social Security benefit as a **spouse, widow, or widower** may be reduced. You can receive only the amount of the Social Security benefit that exceeds two-thirds of your government pension. This can reduce the Social Security benefit to zero. This offset does not affect Medicare eligibility.

Government Pension Offset (GPO) **does not apply** to:

- State or local employees whose government pension is based on a job where you were paying Social Security taxes
 - on the last day of employment and your last day was before July 1, 2004
 - during the last five years of employment and your last day of employment was July 1, 2004, or later. (Under certain conditions, fewer than five years may be required for people whose last day of employment falls between July 1, 2004, and March 2, 2009.)
- People entitled to Social Security benefits before December 1977.
- All women (except divorced wives and widows who had fewer than 20 years of marriage to the worker) and men who were dependent on their wives who received or were eligible to receive government pensions any time during December 1977 through November 1982.
- People eligible to receive government pensions during December 1982 through June 1983 who were dependent on their spouses.

The GPO was enacted to treat retired government employees similarly to other retirees who worked in Social Security **covered** employment. If a government employee's work had been subject to Social Security taxes, any Social Security benefit payable as a spouse, widow, or widower would have been reduced by the person's own Social Security retirement benefit. Without the GPO, a person would get their full government pension based on non-covered Social Security employment and an unreduced Social Security benefit.



Example – GPO

Anna, age 66, receives a monthly teacher’s pension of \$900 from a state where public school teachers are not covered by Social Security. Her husband, Phillip, receives a \$1,000 Social Security retirement benefit based on his PIA. Anna is past her FRA so she is eligible to receive 50% of his PIA as a spouse benefit or \$500 a month. (Without the GPO, she would have received \$900 + \$500 for a total of \$1,400.)

However, two-thirds of her pension is \$600 and is more than her \$500 spouse benefit – so her spouse benefit is reduced to zero ([pages 32-33](#)).

In this same example, suppose Phillip dies. Anna would be entitled to a widow’s benefit of \$1,000, but it would be offset by two-thirds of her pension. She would receive a widow’s benefit of \$400 (\$1,000 – \$600). See [page 53](#).



Disability Benefits

Disability benefits are payable to disabled workers and their dependents and make up 13% of the total Social Security benefits paid. Since almost 1 in 4 of today's 20-year-olds will become disabled before reaching age 67, this program provides important financial protection for workers in covered employment.

If you are insured under Social Security and are severely disabled more than six months before you reach full retirement age (FRA), you can receive a monthly disability benefit equal to your Primary Insurance Amount (PIA). If you become disabled after receiving a reduced retirement benefit, your disability benefit will be reduced to take into account the number of months you received the retirement benefit. At FRA, you are automatically converted from a disability to a retirement benefit at the same amount.

EASY-REFERENCE TABLE

The following table shows approximate monthly disability benefits for you and your family in 2022. The figures assume you have worked steadily since age 22 and received average pay raises each year.

Like other Social Security benefits, disability benefits are updated each year with cost-of-living adjustments and may be subject to income taxes ([page 15](#)).

Monthly Benefits at Disability							
(1) Your benefit (2) Child; spouse at full retirement age (FRA) or above; or spouse at any age if caring for your child who is under age 16 or disabled (3) Family's maximum benefit							
Your Age in 2022	Who Receives Benefits	Your Present Annual Earnings					
		\$25,000	\$45,000	\$65,000	\$85,000	\$105,000	\$147,000 and Up
65	(1)	\$1,184	\$1,664	\$2,144	\$2,575	\$2,800	\$3,326
	(2)	408	832	1,072	1,287	1,400	1,663
	(3)	1,592	2,496	3,216	3,862	4,200	4,989
60	(1)	1,196	1,678	2,160	2,603	2,829	3,361
	(2)	404	839	1,080	1,301	1,414	1,680
	(3)	1,600	2,517	3,240	3,904	4,243	5,041

Your Age in 2022	Who Receives Benefits	Your Present Annual Earnings					
		\$25,000	\$45,000	\$65,000	\$85,000	\$105,000	\$147,000 and Up
55	(1)	\$1,196	\$1,678	\$2,160	\$2,603	\$2,829	\$3,371
	(2)	404	839	1,080	1,301	1,414	1,685
	(3)	1,600	2,517	3,240	3,904	4,243	5,056
50	(1)	1,196	1,679	2,161	2,604	2,830	3,378
	(2)	405	839	1,080	1,302	1,415	1,689
	(3)	1,601	2,518	3,241	3,906	4,245	5,067
40	(1)	1,197	1,680	2,164	2,605	2,832	3,382
	(2)	406	840	1,082	1,302	1,416	1,691
	(3)	1,603	2,520	3,246	3,907	4,248	5,073
30	(1)	1,200	1,686	2,171	2,610	2,837	3,378
	(2)	411	843	1,085	1,305	1,418	1,689
	(3)	1,611	2,529	3,256	3,915	4,255	5,067

QUALIFICATIONS FOR DISABILITY BENEFITS

To qualify for disability benefits, you must be so severely impaired, physically or mentally, that you cannot perform any substantial gainful work. The impairment must be expected to last at least 12 months or result in death and based on medical evidence. Disability benefits are not payable to people disabled solely due to alcoholism or drug addiction.

In addition, you must have a minimum number of credits of Social Security coverage (as defined on [page 20](#)) to be insured. Also, you must have earned some of these credits in recent years. **The recent-years requirement does not apply to the blind.**



Example – Recent Years

John is born in 1970 and needs 30 credits to qualify for disability, with 20 earned in the last 10 years. In 2022, one credit is received for each \$1,510 in covered earnings, up to a maximum of four credits a year. If John retires at age 50 with a company pension and then becomes disabled in 7 years, he would **not** receive Social Security disability benefits because he has not earned enough recent credits – he would only have 3 years of recent work for a total of 12 credits.

The following table shows how many credits you need in 2022.

Year of Birth	Credits Required To Qualify for Disability Benefits
1957-60	40, with 20 earned in last 10 years
1961	39, with 20 earned in last 10 years
1962	38, with 20 earned in last 10 years
1963	37, with 20 earned in last 10 years
1964	36, with 20 earned in last 10 years
1965	35, with 20 earned in last 10 years
1966	34, with 20 earned in last 10 years
1967	33, with 20 earned in last 10 years
1968	32, with 20 earned in last 10 years
1969	31, with 20 earned in last 10 years
1970	30, with 20 earned in last 10 years
1971	29, with 20 earned in last 10 years
1972	28, with 20 earned in last 10 years
1973	27, with 20 earned in last 10 years
1974	26, with 20 earned in last 10 years
1975	25, with 20 earned in last 10 years
1976	24, with 20 earned in last 10 years
1977	23, with 20 earned in last 10 years
1978	22, with 20 earned in last 10 years
1979	21, with 20 earned in last 10 years
1980-91*	20 earned in last 10 years
1992*	19 earned after age 21
1993*	17 earned after age 21
1994*	15 earned after age 21
1995*	13 earned after age 21
1996*	11 earned after age 21
1997*	9 earned after age 21
1998*	7 earned after age 21
After 1998	6 earned in last 3 years

* The figure shown is the maximum number of credits required. Depending on month of birth and month of disability, the number can be up to 3 fewer, with a minimum of 6 credits.

Waiting Period

Disability benefits begin after a waiting period of five full calendar months. To qualify for benefits, you must have been disabled throughout this period. For example, if you become disabled on January 15, you could not receive benefits for January or the next five months, February through June. The first benefit would be for July, payable in August. If you previously received disability benefits and the disability ended less than five years before the present disability began, you will not have a second waiting period.

Disability benefits can be paid retroactively for up to 12 months, not including the waiting period. If a disabled worker dies before filing a claim, the family can apply for the disability benefits within three months of the worker's death.

Workers' Compensation

The law provides for a possible offset of disability benefits when you have been awarded workers' compensation or certain other disability benefits under federal, state, or local law (except benefits from the Department of Veterans Affairs). The total of all such disability benefits may not exceed 80% of your recent earnings before your disability began. Veteran's benefits based on financial need and benefits based on government employment covered by Social Security do not cause any reduction.

WORK INCENTIVES

Rehabilitation

When you apply for disability benefits, you may be referred to the appropriate state agency for rehabilitation services.

Trial Work

If you are receiving disability benefits, you are encouraged to go back to work if you are able.

Benefits can continue throughout a nine-month (not necessarily consecutive) trial work period, plus an additional three-month grace period. In 2022, a month in which earnings exceed **\$970** generally counts as a month of trial work. After the three-month grace period, benefits are suspended if earnings are considered to be substantial gainful activity (SGA). In 2022, the SGA level is **\$1,350** a month or \$2,260 for the blind. Benefits can be reinstated during a 36-month extended period of eligibility for any month that earnings do not exceed the SGA level. Also, Medicare coverage can continue for at least **93** months after completion of the trial work period.

The earnings limit ([page 35](#)) applies individually to each family member who is working and receiving benefits on the worker's earnings record.

FAMILY BENEFITS

If you become disabled, your spouse and children can receive benefits under the same rules that would apply if you retired ([pages 31-34](#)).

The following table shows the percentage of your Primary Insurance Amount (PIA) payable to your family members if you qualify for disability benefits.

Who Receives Benefits if You Become Disabled in 2022	
Benefits Paid To	Percent of Your PIA Payable*
Spouse at FRA	50%
Spouse at age 62	32½%
Spouse, with child who is under age 16 or disabled	50%
Each eligible child	50%

*Benefits may be limited by the family maximum.

Maximum Family Benefit

The Maximum Family Benefit ([page 72](#)), including your benefit, is the lesser of 85% of your Average Indexed Monthly Earnings (AIME) or 150% of your PIA. The 85% of AIME calculation only applies to low-wage earners. The disability family maximum is lower than it is for retirement and survivor benefits ([pages 34-35](#) and [58](#)).



Example – Disability Benefits

Jim and His Family

Jim is disabled at age 45 in 2022. His PIA is \$1,300. He has a wife, Donna, age 45; a son, Steve, age 12; and a daughter, Tara, age 8.

Jim's Qualifications for Disability Benefits

When Jim became disabled, he met the disability insured status requirements. He was disabled on February 15 and had to wait five full calendar months – March through July – until his entitlement began. His first payment, which was for August, came in September.

Jim is entitled to his PIA of \$1,300. Each of the three members of Jim's family would be entitled to \$650, which is 50% of Jim's PIA. This adds up to a total of \$3,250, which is over the Maximum Family Benefit of \$1,950. Jim can receive his full benefit of \$1,300, but each family member receives \$216 (rounded).

Benefits Payable	
Jim	\$1,300
Donna	216
Steve	216
Tara	216
<hr/>	
Total	\$1,948

Jim Entitled to Medicare

Two years later, Jim is still disabled and becomes entitled to Medicare in August. Jim's family is not eligible for Medicare, however.

Steve Graduates from High School

Steve's benefit stops when he reaches age 18 and completes high school. Because the family benefit is still 150% of the PIA, the total remains the same. Jim receives \$1,300, Donna receives \$325, and Tara receives \$325.

Tara, Age 16

Jim's youngest child, Tara, is 16. Donna's benefit stops because she is no longer caring for a child under age 16. If Tara is still in high school, her benefit of \$650 can continue until age 19; otherwise, it stops at age 18.

Jim and Donna, Age 62

At 62, Donna is again eligible for benefits as Jim's wife. She is entitled to an amount equal to 50% of Jim's PIA when she is 67, which is the full retirement age (FRA) for workers and spouses born in 1977. However, because she is receiving the benefit at 62, she receives 32-1/2% of his PIA, or \$422. Jim continues to receive his PIA of \$1,300 as a disability benefit. Their total income is \$1,722.

Jim and Donna at FRA, Age 67

Jim's disability benefit stops when he reaches FRA, but his retirement benefit begins automatically. It is the same amount – \$1,300.

If Donna had waited until age 67 to receive her benefit, she would have been entitled to the full 50% of Jim's PIA, or \$650.

Their total retirement benefit would then have been:

Jim	\$1,300
Donna	650
<hr/>	
Total retirement income	\$1,950
Note: You will apply the annual COLAs to all benefits.	

Survivor Benefits

Survivor benefits are based on the insured worker's Primary Insurance Amount (PIA) on the date of death. The Social Security payroll taxes you pay now go toward providing survivor benefits for your family. Statistics show that for a 20-year-old today, 1 in 8 will die before reaching age 67, so survivor benefits will help protect the worker's family from financial hardship.

BENEFITS FOR THE MONTH OF DEATH

When a beneficiary dies, no benefit is due for the month of death. However, if there is a survivor eligible for monthly survivor benefits, entitlement can begin with the month of the worker's death.



Examples – Benefits for the Month of Death

Example #1 – Death on the Last Day of the Month

Mr. Barnes was entitled to monthly benefits. He died on January 31. No benefit is payable for January. The benefit for a month is paid in the following month. If the Social Security Administration (SSA) has not processed the notice of death in time to stop the payment in February (for January), then the payment must be returned. If he had direct deposit of benefits, the Treasury Department will obtain repayment directly from the financial institution.

Example #2 – Death on the First Day of the Month

Mr. Barnes died on February 1. Since he lived throughout the entire month of January, the payment in February (for January) is payable to the survivor (generally the spouse or children), or if none, then to the estate.

IMPORTANT

The earliest age for retirement is 62, but a widow(er) can receive survivor benefits at age 60. If there are eligible children, the widow(er) could receive benefits at any age. This can be a major financial windfall, particularly if the widow(er) did not work.

EASY-REFERENCE TABLE

The following table shows approximate monthly survivor benefits payable to your family in 2022. The figures assume you have worked steadily since age 22 and received average pay raises throughout your working career.

Like other Social Security benefits, survivor benefits are updated each year with cost-of-living adjustments and may be subject to income taxes ([page 15](#)).

Monthly Survivor Benefits							
(1) Widow(er) at full retirement age (FRA) (page 57)							
(2) Widow(er) at age 60							
(3) Child or widow(er) under age 61 with eligible child who is under age 16 or disabled							
(4) Family's maximum benefit							
Your Age in 2022	Who Receives Benefits	Your Present Annual Earnings					
		\$25,000	\$45,000	\$65,000	\$85,000	\$105,000	\$147,000 and Up
66	(1)	\$1,180	\$1,659	\$2,138	\$2,563	\$2,788	\$3,313
	(2)	843	1,186	1,529	1,833	1,993	2,369
	(3)	885	1,244	1,603	1,922	2,091	2,485
	(4)	1,770	2,950	3,854	4,486	4,879	5,798
60	(1)	1,196	1,678	2,160	2,603	2,829	3,361
	(2)	855	1,200	1,544	1,861	2,023	2,403
	(3)	897	1,258	1,620	1,952	2,122	2,521
	(4)	1,794	2,969	3,906	4,557	4,952	5,884
55	(1)	1,196	1,678	2,160	2,603	2,829	3,371
	(2)	855	1,200	1,545	1,861	2,023	2,410
	(3)	897	1,259	1,620	1,952	2,122	2,528
	(4)	1,794	2,970	3,906	4,558	4,953	5,901
50	(1)	1,196	1,679	2,161	2,604	2,830	3,378
	(2)	855	1,200	1,545	1,862	2,023	2,415
	(3)	897	1,259	1,621	1,953	2,122	2,533
	(4)	1,795	2,971	3,908	4,558	4,954	5,913
45	(1)	1,197	1,680	2,163	2,604	2,831	3,384
	(2)	856	1,201	1,546	1,862	2,024	2,419
	(3)	898	1,260	1,622	1,953	2,123	2,538
	(4)	1,796	2,974	3,909	4,559	4,956	5,924
40	(1)	1,198	1,681	2,165	2,606	2,832	3,388
	(2)	856	1,202	1,548	1,863	2,025	2,422
	(3)	898	1,261	1,623	1,954	2,124	2,541
	(4)	1,797	2,978	3,912	4,562	4,958	5,931
30	(1)	1,207	1,699	2,190	2,621	2,852	3,407
	(2)	863	1,214	1,566	1,874	2,039	2,436
	(3)	905	1,274	1,642	1,966	2,139	2,555
	(4)	1,811	3,026	3,946	4,589	4,992	5,964

QUALIFICATIONS FOR SURVIVOR BENEFITS

For your survivors to receive monthly benefits or the lump-sum death payment, you must be either one of the following:

- Currently insured (provides eligibility for some benefits, but not all)
- Fully insured (provides eligibility for all benefits)

Currently Insured

To be currently insured, you need to have earned six credits during the 13 calendar quarters ending with the calendar quarter of death.

If you are currently insured, the lump-sum death benefit may be payable, and the following survivors qualify for monthly benefits:

- Eligible children under age 18 (up to 19 if in high school) or any age if disabled before 22
- A widow(er) or surviving divorced spouse caring for an eligible child who is under age 16 or disabled before age 22

Fully Insured

The following table shows how many credits you need to be fully insured. Next to your year of birth are the credits you must have if death occurs in 2022. For example, if you were born in 1967, you need 33 credits to be fully insured. If you were born on January 1, refer to the year prior to the year of your birth.



Credits Required To Be Fully Insured if Death Occurs in 2022

Year of Birth	Credits	Year of Birth	Credits
1952-60	40	1978	22
1961	39	1979	21
1962	38	1980	20
1963	37	1981	19
1964	36	1982	18
1965	35	1983	17
1966	34	1984	16
1967	33	1985	15
1968	32	1986	14
1969	31	1987	13
1970	30	1988	12
1971	29	1989	11
1972	28	1990	10
1973	27	1991	9
1974	26	1992	8
1975	25	1993	7
1976	24	After 1993	6
1977	23		

LUMP-SUM DEATH BENEFIT

When death occurs, if you are fully or currently insured, a lump sum of **\$255** is payable to your widow(er) living with you at the time of death. If you don't have a spouse living with you, then payment may be made to a widow(er) or children who are eligible for monthly benefits based on your earnings record. Otherwise, the benefit is not payable.

FAMILY BENEFITS

The following table shows examples of surviving family members who may receive monthly benefits based on your Primary Insurance Amount (PIA). It also shows the percentage of your PIA payable to each beneficiary. For the reduction percentage, see [page 72](#).

Who Receives Survivor Benefits	
Benefits Paid To	Percent of Your PIA Payable*
Widow(er) at FRA**	100%
Widow(er) at age 60	71.5%
Disabled widow(er) at age 50-59	71.5%
Widow(er) under age 61 with eligible child who is under age 16 or disabled	75.0%
Each eligible child	75.0%

* Benefits may be limited by the family maximum ([page 34](#)).

** As the full retirement age (FRA) for workers rises ([page 25](#)), this age will rise too (but starting two years later); also, see the following discussion if the deceased worker received reduced retirement benefits.

Eligibility

Your widow(er) qualifies for survivor benefits if:

- Married to you for at least nine months before death occurs (if death is due to an accident or military duty, no length of marriage is required)
- Meets the marriage criteria above and is the parent of your child (natural or adopted)

Widow(er), Age 60 or Over

If death occurs before becoming entitled to retirement benefits, or if you become entitled after attaining full retirement age (FRA), the widow(er) benefit is 100% of your PIA if your spouse has reached FRA.

If your spouse is younger, a reduction applies ([page 72](#)). At age 60, the benefit is 71-1/2% of your PIA.

If you retired before your FRA and had a reduced benefit, your spouse will receive the smaller of (1) the amount of your PIA, with a reduction applied if your spouse is under the FRA at entitlement ([page 72](#)) or (2) the reduced benefit that you were receiving (but in no case less than 82-1/2% of your PIA). If you became entitled after your FRA, your spouse will receive the same benefit that you did, including any delayed retirement credits that you earned, but reduced if your spouse is under the FRA at entitlement.

Your **surviving divorced spouse** qualifies for a benefit if married to you for at least 10 years. The benefit is the same as that payable to a widow(er) but is not included in the family maximum (unless the benefit is based on caring for the worker's eligible child).

If your widow(er) or surviving divorced spouse remarries before age 60, benefits are not payable unless (and until) the subsequent marriage ends. Remarriage after attaining age 60 does not prevent or stop entitlement to benefits.

Disabled Widow(er)

Your disabled widow(er) age 50-59 or disabled divorced spouse (if the marriage lasted at least 10 years) may qualify for benefits. The onset of disability must occur within seven years of the worker's death or the widow(er)'s entitlement to survivor benefits based on caring for a child. The benefit is 71-1/2% of your PIA. Remarriage after age 50 and after the date disability occurs does not affect entitlement.

Widow(er) Caring for a Child

Your widow(er) or divorced spouse caring for an eligible child who is under age 16 or disabled before age 22 receives 75% of your PIA. The benefit stops when the youngest child reaches age 16 unless caring for a child who was disabled before age 22. Your divorced spouse is not required to have been married to you for a specified time for this type of benefit. Remarriage usually terminates the benefit of the widow(er) but not the child's benefit.

Eligible Child

An eligible child ([page 34](#)) qualifies for a benefit of 75% of the deceased parent's PIA. If both parents are deceased, the child receives whichever benefit is larger.

Dependent Parents

Your parent age 62 or over may qualify for survivor benefits if, at the time death occurs, he or she was receiving at least one-half support from you. The benefit is 82½% of your PIA. If both parents are entitled to benefits, each receives 75%.



Maximum Family Benefit

The Maximum Family Benefit ([page 34](#)) applies.

Non-Duplication of Benefits

If you are eligible for more than one Social Security benefit, you, in effect, can receive no more than the larger of the two benefits. For example, a widow may receive a retirement benefit based on her own work record or a widow's benefit, but not both in full at the same time.

Earnings Limit

Survivors who are under FRA are subject to the earnings limit applicable to those receiving retirement benefits ([page 35](#)). If one survivor earns more than the exempt amount, this does not reduce the benefits of the other survivors and, in some cases, will not reduce the total family benefits. This can apply in cases of young widow(er)s with eligible children (see example below).

(Note: special rules apply to survivors entitled on the basis of disability – see [page 51](#).)

Government Pension Offset

The survivor benefit may be reduced ([page 45](#)) for a widow(er) who is entitled to a government pension based on his or her own employment not covered by Social Security.



Example – Survivor Benefits

In 2022, John dies at age 45, survived by a widow and three children. Each survivor is entitled to a monthly benefit based on John's PIA of \$1,800.

(Note: All benefits will increase with annual COLAs.)

Survivor	Qualification for Benefit	Percent of John's PIA	Unadjusted Monthly Benefits	Adjusted Monthly Benefits
Mary	Wife, age 45, caring for child under age 16	75%	\$1,350	\$825
Bob	Age 18, in high school	75	1,350	825
Suzanne	Age 15	75	1,350	825
Bruce	Age 11	75	1,350	825
		Total	\$5,400	\$3,300

The Maximum Family Benefit is \$3,300. This means that everyone's benefit must be reduced proportionately so that the total doesn't exceed that amount.

One Year Later, Mary Returns to Full-Time Employment

Mary's benefit is suspended because of high earnings. She will continue to have high earnings until after Bruce (the youngest child) attains age 16.

However, the rest of the family continues to receive the same total benefit. From the total original entitlement of \$5,400, subtract \$1,350 for Mary, leaving \$4,050. That's still larger than the Maximum Family Benefit of \$3,300. The total stays the same, but each person's benefit will now be for a different amount.

Readjusted Benefits

Bob	\$1,100
Suzanne	1,100
Bruce	1,100
<hr/>	
Total	\$3,300

Bob Graduates from High School

When Bob graduates from high school at age 18, he is no longer eligible for benefits. His monthly benefit of \$1,100 stops. The other two children continue to be entitled. They each receive \$1,350 (75% of the PIA) for a total of \$2,700.

Suzanne, Age 18, Graduates from High School

Suzanne's benefit stops. However, Bruce remains entitled to his benefit of \$1,350 until he is 18 (or 19 if still in high school).

Mary at Age 60

Mary can claim a surviving spouse's benefit of \$1,287 a month for the rest of her life. That amount is 71-1/2% of John's PIA of \$1,800. Or, she can wait until she reaches her full retirement age (FRA) of 67. If she works after her benefits begin, she is subject to the earnings limit until her FRA ([page 35](#)).

Mary at FRA (Age 67)

If Mary waits until FRA to receive benefits, she will get 100% of John's PIA of \$1,800 a month.



Medicare

Medicare is a federal health insurance program for people age 65 and over and many disabled people. Beneficiaries can receive healthcare services under the Original Medicare Plan, or in some areas, a Medicare Advantage plan (MA) – formerly Medicare+Choice.

Medicare has four parts:

- **Part A** (Hospital Insurance) pays some of the costs of hospitalization, limited skilled nursing home care, home health services, and hospice care.
- **Part B** (Medical Insurance) primarily covers physicians' services, most outpatient hospital services, and certain related services. Long-term nursing home care is not currently covered.
- **Part C** (Medicare Advantage Plans) includes Health Maintenance Organizations, Preferred Provider Organizations, Private Fee-for-Service plans, Special Needs plans, and Medical Savings Accounts. These plans were formerly called Medicare+Choice.
- **Part D** (Outpatient Prescription Drug Plans) is voluntary prescription drug coverage.

The Original Medicare Plan is **Parts A and B** and is available anywhere in the U.S. Under Original Medicare, you can go to any doctor or hospital that accepts Medicare patients. You or your other insurance pay the deductibles and coinsurance. Original Medicare generally does not cover prescription drug costs. The majority of beneficiaries are in Original Medicare. Most of them have supplemental coverage from an employer or union-sponsored retiree plan, from one of the standard Medigap Plans, or TRICARE for military retirees.

Many Medicare beneficiaries opt to receive healthcare services from a Medicare Advantage or MA plan, **Part C**, instead of Original Medicare. These plans are not available in all areas. You must be enrolled in Medicare Parts A and B before enrolling in an MA plan. Most plans require members to visit hospitals, doctors, and other healthcare providers that are approved by the plan. Many plans also offer additional benefits, such as prescription drugs, usually for an additional premium. Out-of-pocket expenses are often lower and more predictable under managed care.

Under **Part D**, insurance companies and other private businesses are approved by Medicare to sell insurance coverage for outpatient prescription drugs. Only beneficiaries covered by Part A or Part B can enroll.

Who pays for Medicare? Part A is financed by payroll taxes and is usually premium free. A portion of Part B and Part D is financed by monthly premiums, and the rest is financed from general federal revenues. Certain deductibles, coinsurance, and copayments may also apply.

ELIGIBILITY AND ENROLLMENT

You are eligible for Medicare on the first day of the month that you turn 65. This age is not scheduled to rise as the full retirement age for Social Security benefits rises to 67. Medicare is also available if you have been entitled to Social Security disability benefits for two years (waived if you have amyotrophic lateral sclerosis) or if you have end-stage renal disease (kidney failure). A spouse or child with kidney failure also may qualify.

If you are receiving Social Security benefits in the month you attain age 65, you are automatically enrolled in Medicare. You will receive your Medicare card three months before you attain age 65.

Your spouse can also qualify for premium-free Medicare Part A at age 65 based on your work record if you are eligible for monthly Social Security benefits, even if you are only age 62-64, or if you are receiving Social Security disability benefits. Almost everyone in the U.S. can enroll in Part B at age 65.

When you enroll in Part A of Medicare, you automatically enroll in Part B. You can decline Part B, but you must tell the Social Security Administration that you don't want it.

If you have coverage under a plan sponsored by an employer with 20 or more employees based on your or your spouse's current employment, you will usually want to wait until you retire to apply for Part B. This is because the employer plan may be the primary payer, and Medicare Part B may offer little, if any, additional coverage to justify paying the Part B premium. Also, the six-month open-enrollment period to enroll in a Medigap plan begins with the first month you are age 65 or over and enrolled in Part B.

The standard Part B monthly premium increases to **\$170.10** in 2022 for current, new, and high-income Medicare beneficiaries, and people whose Medicare premium is paid by Medicaid. Beneficiaries with high incomes pay additional income-related Part B premiums.

If you enroll late, or if you drop out and enroll again, you may have to pay higher premiums. You will pay 10% more for each full 12 months that you

could have been, but were not, enrolled in Part B. You don't include any months when you weren't enrolled in Part B while covered by an employer-sponsored group insurance plan based on your or your spouse's current employment.

If you enroll in Part D, the Medicare standard prescription drug plan, at your earliest opportunity, you pay premiums of about **\$33** per month. These premiums are adjusted every January. You can join a drug plan within three months of becoming eligible for Medicare. If you want to change plans or enroll for the first time (if you didn't enroll when first eligible), you can do this from October 15 to December 7 each year with coverage effective January 1. High-income enrollees in Part D coverage pay a premium surcharge that operates like the Part B program.

If you do not enroll in a Medicare prescription drug plan during your initial enrollment opportunity and do not have other "creditable" drug coverage continuously in place from that time until you do enroll, you may have to pay higher premiums. For each month that you did not have other creditable coverage and could have been, but were not, enrolled in a Medicare drug plan, 1% of the "national base beneficiary premium" (\$33.37 in 2022) will be added to your monthly premium. Other drug coverage is creditable if it provides a level of coverage at least as good as the standard Part D coverage.

Coordination of benefits. If you are eligible for Medicare at age 65 or older and are working for an employer with 20 or more employees, you are entitled to the same employer-sponsored healthcare benefits offered to younger employees. If you have such coverage and are working, Medicare is the "secondary payer," paying only for some charges not covered by your employer-provided plan. These rules apply to your spouse at age 65 or older if you are working for such an employer, regardless of your age.

These rules also apply to any disabled Medicare beneficiary (under age 65) who is covered by an employer-provided healthcare plan as a currently working employee or as a family member of an employee. However, this applies only for employers with 100 or more employees. Special rules apply to people with end-stage renal disease.

Medicare is also the secondary payer if medical costs can be paid under any liability policy, such as auto insurance.



2022 Medicare Figures

Part A inpatient deductible per benefit period	\$1,556
Part A daily coinsurance 61st through 90th days	\$389
Part A daily coinsurance for up to 60 "lifetime reserve" days.	\$778
Part A daily coinsurance 21st through 100th days in a skilled nursing facility	\$194.50
Part B annual deductible	\$233
Part B (Medical Insurance) standard monthly premium*	\$170.10
*Beneficiaries with high incomes pay additional income-related Part B premiums.	
Part D (Prescription Drug Coverage) estimated monthly premium*	\$33
*Beneficiaries with high incomes pay a Part D premium adjustment to Medicare.	
Part D deductible	\$480
Part D initial benefit limit	\$4,430
Part D catastrophic out-of-pocket threshold	\$7,050

Appendix

THINGS TO DO

You should do several things to make sure you get all your benefits. Some of these things should be done now and others later.

Remember: The **Social Security Administration (SSA)** will not start your benefits until you file an application. If you think you may be eligible for benefits, file an application. If you are late in filing an application, you may not be paid all of the benefits that you could have received. Here are some suggested actions and timelines:

Before you file for benefits

Because you do not know when disability or death claims might have to be filed, why not get papers ready now? Make sure you have a certified copy of your birth certificate. Social Security cannot use ordinary photocopies. If you are filing for benefits based on your spouse's or former spouse's earnings record, you may need a certified copy of your marriage certificate. If you are applying for divorced spouse benefits, you will need your divorce decree.

When is the best time to call SSA's 800#

The SSA phone lines are busiest early in the week and early in the month. Representatives are available from 7 a.m. to 7 p.m. on business days. If you have a touch-tone phone, recorded information and services are available 24 hours a day, including weekends and holidays.

Before you retire

Contact SSA for information in the January before you intend to retire, but not earlier than three months before you turn 62.

How to apply for benefits

When you are ready to apply for retirement, disability, or spouse's benefits, you can do one of the following:

- Apply online at www.socialsecurity.gov/applytoretire.
- Call SSA's national toll-free number [1-800-772-1213](tel:1-800-772-1213). For the deaf or hard of hearing, you can call TTY [1-800-325-0778](tel:1-800-325-0778).
- Call or visit your local Social Security office. You can find your local office at www.socialsecurity.gov/locator.

What documents you need to file for benefits

A list of documents you may need to apply for Social Security benefits follows. The SSA will let you know if any other documents are needed. The SSA needs original documents or copies certified by the issuing agency. The SSA will make a copy and return the originals to you.

- Social Security number
- Birth certificate
- W-2 form(s) or self-employment tax return from last year
- Spouse's birth certificate and Social Security number (if applying for benefits on your work record)
- Marriage certificate (if signing up on a spouse's record)
- Military discharge papers if you had military service
- Children's birth certificates and Social Security numbers (if they are applying)
- Proof of U.S. citizenship or lawful alien status if you (or a family member who is applying) were not born in the U.S.
- The name of your bank and your account number so your benefits can be directly deposited into your account

How do I get access to my Social Security earnings?

Your Social Security information is online and provides a secure and convenient way to access your Social Security earnings and benefit information. You should check the information carefully and report any incorrect information to the SSA as quickly as possible ([page 70](#)). Mailed statements are sent to people age 60 or over who are not receiving Social Security benefits and do not have an online Social Security account. The statement is mailed three months prior to your birthday. You should review this information to plan for your financial future and to ensure your earnings history is accurate because your Social Security benefit is based on your top 35 years of earnings.

After you retire

After you start receiving benefits, if you are under your full retirement age and your earnings exceed the earnings limit ([page 35](#)), call Social Security. Having benefits withheld is better than paying back benefits that should not have been paid to you.

After disability

File your application promptly so it can be processed during the waiting period. Earnings from work must be reported if you are receiving disability benefits.

After death

You should file for survivor benefits as soon as possible after death occurs. You should also contact SSA to stop any benefits the person was receiving prior to death.

When you file your federal income tax return

If you have had more than one job and earned more than the maximum for Social Security for that year, you probably have paid excess payroll taxes. You should claim a credit for these excess taxes when you file your federal income tax return.

When you think a decision by SSA is wrong

If you believe that a decision by SSA is wrong, you can appeal within 60 days from the date you receive the information. Your request must be in writing and filed with any Social Security office.

When your child leaves your care

If you are receiving benefits because you have a child in your care, and the child leaves your care, report it at once.

When you lose your Social Security or Medicare card or change your name

Contact Social Security and apply for a replacement card with the same number.

When you travel outside the U.S.

Medicare does not pay for hospital or other medical expenses outside the U.S. If you plan to travel abroad, consider obtaining additional insurance.

Benefits if living outside the U.S.

U.S. citizens can receive Social Security benefits nearly anywhere in the world. However, beneficiaries who live outside of the U.S. must notify the SSA of their current residence – even if the benefits are directly deposited into a U.S. bank account.

There are some restrictions on paying Social Security benefits to non-citizens living outside the U.S., particularly dependent and survivor benefits. These complex rules can vary depending on the country of citizenship and residence. Non-citizens that have worked in the U.S. and qualify for retirement benefits can receive their benefits if they live outside the U.S.

When do Medicare benefits start?

Medicare eligibility begins on the first day of the month that you turn age 65. This age is not scheduled to rise as the full retirement age for Social Security gradually rises to age 67. If you continue to work, your employer's medical insurance coverage should still cover you. If you are not working, you can purchase coverage from a private insurance company until you turn age 65 and become eligible for Medicare.

Medicare Questions

You can call [1-800-MEDICARE](tel:1-800-MEDICARE) if you have questions on these benefits. TTY users should call [1-877-486-2048](tel:1-877-486-2048). Information is also available at www.medicare.gov.

SOCIAL SECURITY QUESTIONS AND ANSWERS

Following are some of the commonly asked questions and the page in this booklet to find the answers.

How much is the cost-of-living adjustment (COLA) and when will I get it?

The annual COLA in Social Security benefits for December 2021 payable in January 2022 is **5.9%**. When there is no COLA, your benefit will remain the same. The purpose of the COLA is to ensure your benefit keeps up with projected inflation.

Who is eligible for benefits based on my earnings record?

Members of your family may also be eligible for benefits based on your earnings records – retirement ([pages 31-35](#)), disability ([pages 31-35, 51](#)), and survivors ([pages 56-58](#)).

Is there a family maximum?

Yes. There is a maximum family benefit amount – retirement ([page 34](#)), disability ([page 51](#)), and survivors ([page 58](#)).

Can I get both my benefit and my spouse's benefit?

You will receive the benefit based on your own work record first. If your spouse's benefit is more, then you will receive the difference between your benefit and the spouse's benefit to bring your total benefit up to the higher amount (see [page 36](#), example #2).

What is the full retirement age?

The full-retirement age (FRA) is 65 for people born before 1938 and rises gradually until it reaches 67 for people born in 1960 or later ([page 25](#)).

How many credits do I need to receive benefits?

You need 40 Social Security credits to qualify for retirement benefits – or about 10 years of work ([page 20](#)). The credits are different for disability ([page 48-49](#)) and survivor ([pages 55-56](#)) benefits.

What is the maximum taxable earnings?

The maximum taxable amount for Social Security is \$147,000 in 2022 – [pages 10-11](#). There is no earnings limit for Medicare.

How many years of my earnings are used?

You use your 35 highest years of indexed earnings to calculate your retirement benefit ([page 17](#)).

Will continuing to work affect my Social Security retirement benefit?

You can get Social Security retirement benefits and work at the same time. If you are under your full retirement age (FRA) and make more than the annual earnings limit, your benefit could be reduced based on these earnings ([page 36](#)). Starting with the month you reach your FRA, there is no earnings limit ([page 37](#)). After you reach FRA, your benefit will be recalculated to give you credit for any months you did not get a benefit because of your earnings. The SSA will notify you with a letter about your increase in benefits.

Will early retirement affect my benefit?

You can retire with a permanently-reduced Social Security benefit as early as age 62 – [pages 26-27](#). A comprehensive table of early-retirement percentages is on [page 73](#).

Will delaying retirement affect my benefit?

You can increase your benefit by earning delayed retirement credits (DRCs) for any month that you do not receive your benefit from your full retirement age up to age 70 ([pages 29-30](#)). The full-year DRC is 8% (prorated for months) for people born in 1943 and later. Additional earnings during this time may also result in a higher benefit.

Do I have to pay income tax on my benefits?

Benefits are income tax free for the majority of beneficiaries and partially tax free for the others – [page 15](#).

When are my earnings for this year posted to my record?

Earnings for the current year are typically posted by the end of September of the following year and payable in December. The increase would be retroactive to January.

How do I correct information?

Name or birthday: If you need to correct your name or birthday, you will need to complete SSA Form SS-5. Mail this form and one to two original documents showing the correct information – your documents will be mailed back to you. Photocopies or notarized copies are not accepted.



Address: Until you are receiving a benefit, SSA gets your address from the Internal Revenue Service (IRS). You will need to get IRS Form 8822 and mail it to the address in the instructions. You can download the IRS form at www.irs.gov.

Earnings: If your earnings history is incorrect, SSA will need your name, Social Security number, the incorrect year(s), and the business name and address. You can also send in your W-2 to assist in correcting your record. You can contact SSA at [1-800-772-1213](tel:1-800-772-1213) or visit www.socialsecurity.gov.

SOCIAL SECURITY RULES

Retirement

40 credits are needed to qualify for retirement benefits, or about 10 years of work.

35 years of earnings are used to calculate a retirement benefit.

Primary Insurance Amount (PIA) formula

For people attaining age 62 in 2022, or becoming disabled or dying before age 62 in 2022, the PIA follows and is applied to the Average Indexed Monthly Earnings (AIME):

- 90% of the first \$1,024 of AIME, plus
- 32% of the next \$5,148 of AIME, plus
- 15% of AIME in excess of \$6,172

The dollar amounts in the formula are adjusted annually by changes in the national indexing average wage. To the resulting PIA, apply cost-of living adjustments (COLAs) for the year age 62 is attained (or disability or death occurs) and all subsequent years as follows:

Year	COLA	Year	COLA	Year	COLA
1997	2.1%	2006	3.3%	2015	0.0%
1998	1.3	2007	2.3	2016	0.3
1999	2.5	2008	5.8	2017	2.0
2000	3.5	2009	0.0	2018	2.8
2001	2.6	2010	0.0	2019	1.6
2002	1.4	2011	3.6	2020	1.3
2003	2.1	2012	1.7	2021	5.9
2004	2.7	2013	1.5		
2005	4.1	2014	1.7		

Note: These COLAs are effective for December and normally payable in the next January.

For people who attained age 62 before 2022 (born before 1960): Multiply all of the index factors ([page 74](#)) by the multiplier shown below (the result cannot be less than one). Use the new factors to complete the worksheet on [page 74](#). Then apply the appropriate PIA formula from the table below.

Year of Birth	Index Factor Multiplier	PIA Benefit Formula		
		90%	32%	15%
1952	0.796743	First \$816	Next \$4,101	Over \$4,917
1953	.806926	826	4,154	4,980
1954	.835569	856	4,301	5,157
1955	.864639	885	4,451	5,336
1956	.874409	895	4,502	5,397
1957	.904605	926	4,657	5,583
1958	.937392	960	4,825	5,785
1959	.972521	996	5,006	6,002

Maximum Family Benefit (MFB) formula

For people attaining age 62 in 2022, or dying before age 62 in 2022, the MFB is:

- 150% of the first \$1,308 of PIA, plus
- 272% of the next \$581, plus
- 134% of the next \$574, plus
- 175% of PIA in excess of \$2,463

For disabled people, the MFB is the smaller of (a) 150% of PIA, or (b) 85% of the AIME, but not less than the PIA. The MFB is increased by the annual COLA.

Reduction Factors for Early Retirement

If a benefit begins before the full retirement age ([page 25](#)), it is reduced as follows:

Retired Worker	$\frac{5}{9}$ of 1% for each of the first 36 months, plus $\frac{5}{12}$ of 1% for each month in excess of 36
Spouse	$\frac{25}{36}$ of 1% for each of the first 36 months, plus $\frac{5}{12}$ of 1% for each month in excess of 36
Widow(er)	28 $\frac{1}{2}$ % at age 60 (prorated for months between age 60 and FRA)
Disabled widow(er)	28 $\frac{1}{2}$ % at ages 50-59



Full Retirement Ages, Early-Retirement Percentages, and Delayed-Retirement Percentages

Year of Birth	Age in 2022	Full Retirement Age (Years)		% of PIA Payable to Worker First Claiming Benefits at			% of Worker's PIA Payable to Spouse First Claiming Benefits at		% of Worker's PIA Payable to Surviving Spouse First Claiming Benefits at	
		For Worker of Spouse Benefits	For Surviving Spouse Benefits	Age 62 ^b	Age 65 ^b	Age 70 ^c	Age 62 ^d	Age 65 ^d	Age 60 ^e	Age 65 ^f
1952	70	66	66	75	93 $\frac{1}{3}$	132	35	45%	71 $\frac{1}{2}$	95.25
1953	69	66	66	75	93 $\frac{1}{3}$	132	35	45%	71 $\frac{1}{2}$	95.25
1954	68	66	66	75	93 $\frac{1}{3}$	132	35	45%	71 $\frac{1}{2}$	95.25
1955	67	66 $\frac{1}{2}$	66	74 $\frac{1}{2}$	92 $\frac{2}{3}$	130 $\frac{2}{3}$	34 $\frac{1}{2}$	45 $\frac{5}{6}$	71 $\frac{1}{2}$	95.25
1956	66	66 $\frac{1}{2}$	66	73 $\frac{1}{2}$	91 $\frac{1}{3}$	129 $\frac{1}{2}$	34 $\frac{1}{6}$	44 $\frac{2}{3}$	71 $\frac{1}{2}$	95.25
1957	65	66 $\frac{1}{2}$	66 $\frac{1}{2}$	72 $\frac{1}{2}$	90	128	33 $\frac{3}{4}$	43 $\frac{3}{4}$	71 $\frac{1}{2}$	94.61
1958	64	66 $\frac{1}{2}$	66 $\frac{1}{2}$	71 $\frac{1}{2}$	88%	126 $\frac{2}{3}$	33 $\frac{1}{3}$	43 $\frac{1}{8}$	71 $\frac{1}{2}$	94.00
1959	63	66 $\frac{1}{2}$	66 $\frac{1}{2}$	70 $\frac{5}{6}$	87 $\frac{2}{3}$	125 $\frac{1}{2}$	32 $\frac{1}{2}$	42 $\frac{13}{36}$	71 $\frac{1}{2}$	93.42
1960	62	67	66 $\frac{1}{2}$	70	86 $\frac{2}{3}$	124	32 $\frac{1}{2}$	41 $\frac{2}{3}$	71 $\frac{1}{2}$	92.88
1961	61	67	66 $\frac{1}{2}$	70	86 $\frac{2}{3}$	124	32 $\frac{1}{2}$	41 $\frac{2}{3}$	71 $\frac{1}{2}$	92.35
1962 & later	60 & younger	67	67	70	86 $\frac{2}{3}$	124	32 $\frac{1}{2}$	41 $\frac{2}{3}$	71 $\frac{1}{2}$	91.86

^a If you were born on January 1, refer to the year prior to the year of your birth.

^b Actuarial-reduction factors for retired-worker benefits are $\frac{5}{9}$ % per month for first 36 months before full retirement age, plus $\frac{5}{12}$ % per month for any additional months.

^c Delayed retirement credits are granted for each month at or after full retirement age and before age 70 for which benefits are not received by a person who is fully insured. The increase for each such month is $\frac{2}{3}$ % for workers born in 1943 and later.

^d At full retirement age, spouse can receive 50% of worker's Primary Insurance Amount (PIA). Actuarial-reduction factors, as a percentage of full spouse's benefit, are $\frac{25}{36}$ % per month for first 36 months before full retirement age, plus $\frac{5}{12}$ % per month for any additional months.

^e Or at ages 50-59, if disabled.

^f At full retirement age, if worker did not have reduced early-retirement benefits, surviving spouse can receive 100% of worker's PIA. Actuarial-reduction factors are designed to grade linearly for ages below the full retirement age to 71 $\frac{1}{2}$ % at age 60.

Worksheet for Figuring Your Indexed Earnings if Born in 1960 or Later

A	B	C	D	E	F	G
Calendar Year	Maximum Taxable Amount	Enter Your Taxable Earning	Index Factor	Indexed Earnings	High Years	Earning Required for a Credit
1973	\$10,800		7.33871			\$50
1974	13,200		6.92694			50
1975	14,100		6.44527			50
1976	15,300		6.02923			50
1977	16,500		5.68832			50
1978	17,700		5.26984			250
1979	22,900		4.84592			260
1980	25,900		4.44550			290
1981	29,700		4.03893			310
1982	32,400		3.82818			340
1983	35,700		3.65035			370
1984	37,800		3.44768			390
1985	39,600		3.30680			410
1986	42,000		3.21148			440
1987	43,800		3.01894			460
1988	45,000		2.87724			470
1989	48,000		2.76765			500
1990	51,300		2.64546			520
1991	53,400		2.55041			540
1992	55,500		2.42545			570
1993	57,600		2.40476			590
1994	60,600		2.34191			620
1995	61,200		2.25165			630
1996	62,700		2.14667			640
1997	65,400		2.02832			670
1998	68,400		1.92744			700
1999	72,600		1.82569			740
2000	76,200		1.73002			780
2001	80,400		1.68971			830
2002	84,900		1.67294			870
2003	87,000		1.63302			890
2004	87,900		1.56047			900
2005	90,000		1.50539			920
2006	94,200		1.43924			970
2007	97,500		1.37676			1,000
2008	102,000		1.34580			1,050
2009	106,800		1.36641			1,090
2010	106,800		1.33486			1,120
2011	106,800		1.29430			1,120
2012	110,100		1.25511			1,130
2013	113,700		1.23927			1,160
2014	117,000		1.19679			1,200
2015	118,500		1.15655			1,220
2016	118,500		1.14363			1,260
2017	127,200		1.10546			1,300
2018	128,400		1.06679			1,320
2019	132,900		1.02826			1,360
2020	137,700		1.00000			1,410
2021	142,800		1.00000			1,470
2022	147,000		1.00000			1,510
2023+	*		1.00000			*

*To be determined ([page 10](#) for column B; [page 20](#) for column G).