

## 10 Things You Should Know About Social Security

Many Americans rely on Social Security but may not be familiar with all the ins and outs of the program.

- 1 Happy early birthday!** – If your birthday is the first day of the month, the Social Security Administration (SSA) will deem you eligible for benefits on the last day of the previous month. If your birthday is January 1, you'd reach your qualifying age on December 31 of the previous year.
- 2 Benefits may be taxed** – Depending on your combined income level and filing status, your Social Security benefits may be taxable. Your combined income is defined as the total of your adjusted gross income, any non-taxable interest (think municipal bonds), and half your Social Security benefits. If you were 65 or older by December 31, 2025, the One Big Beautiful Bill Act introduced a temporary \$6,000 deduction per individual (\$12,000 for couples if they're both 65 or older) through 2028, though the deduction begins phasing out for income above \$75,000 for individuals and \$150,000 for couples.
- 3 The more you wait, the more you receive** – You can start receiving Social Security benefits as early as age 62, but starting benefits before your full-retirement age can reduce your lifetime monthly benefit by as much as 30%. Your full-retirement age depends on when you were born, but the current range is between ages 66 and 67.
- 4 Once you reach age 70, delayed credits stop accruing** – Waiting to claim your Social Security benefits not only increases your own benefits by earning you “delayed retirement credits” (an increase in benefits for every month you wait to claim beyond full retirement age), but also increases spousal and survivor benefits. But once you reach age 70, you no longer accrue delayed benefits, and your spousal and survivor benefits also reach their maximum.
- 5 Working ahead is welcome** – The SSA will allow you to file for benefits up to four months before you're eligible to receive them. Even if you're not ready to retire, you may want to sign up for Medicare Part A (hospital insurance) as soon as you're eligible (three months before your 65th birthday) to avoid any lapses in insurance coverage and to avoid a late enrollment penalty.
- 6 Cash now or higher benefits later** – Once you exceed your full retirement age, you're eligible for up to six months of retroactive benefits in a lump sum. For example, if you're three months beyond your full-retirement age, you'd qualify for a lump sum equivalent to three months of benefits. But it's an either-or-choice: If you choose the lump sum, you forfeit accruing delayed retirement credits for that amount of time, which would permanently reduce your monthly benefits.
- 7 You get one mulligan** – If you apply for benefits and then change your mind, the SSA allows you to withdraw your claim to benefits once in your lifetime. It must be within 12 months of beginning your benefits, and if you received any payments, you must repay the amount in full.
- 8 Your benefits are based on your average lifetime earnings** – The SSA calculates your benefits based on your 35 highest years of earnings, and any missing years of reportable income could lower your lifetime benefits. Before you consider retiring, you should review your Social Security statement at least once per year to ensure accuracy.
- 9 Your family is eligible for additional payment after your death** – A one-time lump-sum death payment of \$255 can be made to a qualifying spouse or child if they meet certain requirements. Survivors must apply for this payment within two years.
- 10 Log on and check it out** – The SSA urges individuals to conduct business online whenever possible, whether you're already receiving benefits or have yet to receive them. See page 2 for some of the many Social Security services available online.

### Services Available on SSA.gov

#### You can apply for a variety of Social Security benefits:

- Retirement and spousal benefits
- Social Security disability benefits
- Medicare Part A (hospital insurance) and Part B (medical insurance)
- The Extra Help program (to help with Medicare prescription-drug plan costs)

#### If you're receiving benefits, you can:

- Get an instant benefit verification letter
- Get a replacement tax form (Form SSA-1099/SSA-1042)
- Change your direct-deposit elections
- Change your address
- Report wages if you're working and receiving disability benefits or Supplemental Security Income
- Request a replacement Medicare Part A card

#### If you're not yet receiving benefits, you can:

- Request a replacement Social Security card
- Get instant, personalized retirement-benefit estimates for a variety of scenarios for you and your spouse
- Check your benefit application status
- View a Social Security Statement to see disability/survivors benefit estimates and other important information tailored to you

Source: SSA

## Talk to your financial professional to make sure you're making the most of your Social Security benefits.

All information sourced from ssa.gov except One Big Beautiful Bill deduction information, which is sourced from irs.gov.

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