

Social Security Retirement Benefits

Retirement Benefits

Choosing when to retire is one of the most important decisions you will make in your lifetime. If you choose to retire when you reach your **full retirement age**, you will receive your full benefit amount. But if you retire before reaching full retirement age, you will receive reduced benefits. The following chart lists the full retirement age by year of birth.

Full Retirement Age

If you were born from 1943 to 1960, the age at which full retirement benefits are payable increases gradually to age 67. If you were born in 1944 or earlier, you already are eligible for your full Social Security benefit. The following chart will guide you in determining your full retirement age.

<i>Year of Birth</i>	<i>Full Retirement Age</i>
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

Delayed Retirement

If you choose to delay receiving benefits beyond your full retirement age, your benefit will be increased by a certain percentage, depending on the year you were born. The increase will be added in automatically each month from the time you reach full retirement age until you start taking benefits or reach age 70, whichever comes first. The percentage of the increase is based on when you were born.

Early Retirement

You may start receiving benefits as early as age 62. However, if you start your benefits early, your benefits are reduced.

If You Work And Get Benefits

You can continue to work and still receive retirement benefits. Your earnings in (or after) the month you reach full retirement age will not reduce your Social Security benefits. In fact, working beyond full retirement age can increase your benefits. However, your benefits will be reduced if your earnings exceed certain limits for the months before you reach your full retirement age. If you work but start receiving benefits before full retirement age, \$1 in benefits will be deducted for each \$2 in earnings you have above the annual limit. In 2016, the limit is \$15,720. In the year you reach your full retirement age, your benefits will be reduced \$1 for every \$3 you earn over a different annual limit (\$41,880 in 2016) until the month you reach full retirement age. Once you reach full retirement age, you can keep working, and your Social Security benefit will not be reduced no matter how much you earn.

NOTE: People who work and receive disability or Supplemental Security Income payments have different earnings rules. They immediately must report all of their earnings to Social Security no matter how much they earn.

Retirement Benefits For Widows And Widowers

If you are receiving widow's or widower's benefits, you can switch to your own retirement benefits as early as age 62, assuming your retirement benefit is more than the amount you receive on your deceased spouse's earnings. In many cases, you can begin receiving one benefit at a reduced rate and then switch to the other benefit at the full rate when you reach full retirement age. The rules are complicated and vary depending on your situation, so talk to a Social Security representative about the options available to you.

Medicare Has Four Parts

- Hospital insurance (Part A) helps pay for inpatient hospital care and certain follow-up services.
- Medical insurance (Part B) helps pay for doctors' services, outpatient hospital care and other medical services.
- Medicare Advantage plans (Part C) are available in many areas. People with Medicare Parts A and B can choose to receive all of their health care services through a provider organization under Part C.
- Prescription drug coverage (Part D) helps pay for medications doctors prescribe for medical treatment.

Who Is Eligible For Hospital Insurance (Part A)?

Most people get hospital insurance when they turn 65. You qualify for it if you are eligible for Social Security or Railroad Retirement benefits. Or you may qualify based on a spouse's (including a divorced spouse's) work. Others qualify because they are government employees not covered by Social Security who paid the Medicare tax. If you get Social Security disability benefits for 24 months, you will qualify for hospital insurance. If you get Social Security disability benefits because you have amyotrophic lateral sclerosis (Lou Gehrig's disease), you do not have to wait 24 months to qualify. Also, someone who has permanent kidney failure requiring maintenance dialysis or a kidney replacement qualifies for hospital insurance if he or she has worked long enough or if he or she is the spouse or child of a worker who qualifies. If you do not meet these requirements, you may be able to get Medicare hospital insurance by paying a monthly premium.

Who Can Get Medical Insurance (Part B)?

Almost anyone who is eligible for hospital insurance can sign up for medical insurance. Part B is not free. In 2016, the standard monthly premium is \$104.90 (or \$121.80 for those becoming entitled to Part B in 2016.). Some people with higher incomes pay higher premiums.

Who Can Get Medicare Advantage Plans (Part C)?

Anyone who has Medicare hospital insurance (Part A) and medical insurance (Part B) can join a Medicare Advantage plan. You might have to pay a monthly premium because of the extra benefits the Medicare Advantage plan offers.

Who can get Medicare prescription drug coverage (Part D)?

Anyone who has Medicare hospital insurance (Part A) or medical insurance (Part B) or a Medicare Advantage plan (Part C) is eligible for prescription drug coverage (Part D). Prescription insurance is optional, and you pay an additional monthly premium for the coverage. Some people with higher incomes pay higher premiums.