

A blue silhouette of a bicycle is positioned on the left side of the image, set against a solid orange background. The bicycle is shown from a side profile, facing right. It features a large front wheel, a smaller rear wheel, a curved handlebar, a seat, and a frame. The lines are thick and rounded, giving it a simple, stylized appearance.

A Beginner's Guide to  
**Social Security**

Social Security can be a complicated topic. With all of the financial complexities involved, it's easy to get overwhelmed. Breaking it down to the basics though, can help make Social Security much less intimidating.

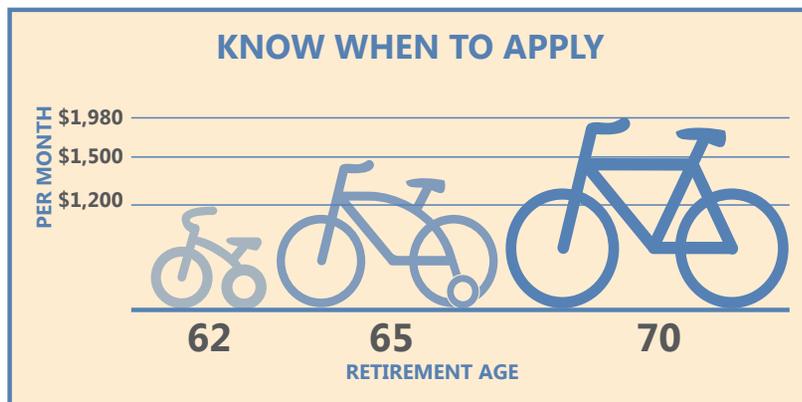


## Know when to apply.

You can claim Social Security benefits at age 62. Well, really, 61 and nine months. But just because you can apply doesn't necessarily mean you should. If you delay collecting your benefits, the payments will continue to increase until you reach age 70. So, you might want to see if it makes sense for you to wait. It is important to note here that the system is designed so that total benefits received over your lifetime are about the same, no matter when you start collecting, if you live an average life span. Checks that start arriving at age 62 will be

considerably smaller, but you'll likely receive many more of them. So for most people who live an average-length life, it's close to a wash.

Here's how it works: Say you just turned 62, and you're looking forward to the boost in income your Social Security check could provide. As an example, let's suppose you're eligible to collect \$1,200 a month at this point. But, if you wait to claim Social Security until you reach your full retirement age (between 66 and 67 depending on your birth year), that monthly payment will increase by up to 25 percent. In this example, you would receive \$300 more a month, bringing your monthly check to \$1,500. If you're able to wait just a little longer to claim benefits when you're 70, your check will jump another 32 percent. In real dollars, this adds up to \$1,980 payment per month. You would receive almost \$800 more a month than if you file at age 62. That's a pretty big increase in monthly payments, but remember that you waited several years to start receiving them. It is a trade-off that you need to consider.



## Know how the rules apply to your situation.

Everyone's situation is different, so no one-size-fits-all plan exists. Social Security options vary based on finances and marital status. For example, the spousal benefit can help someone who has never drawn a salary and who has a spouse eligible to receive Social Security benefits. By meeting certain requirements, a non-working spouse can collect up to 50 percent of a working spouse's Social Security benefits. Filing for spousal benefits will not decrease the working spouse's payments, so it's a win-win situation. And when you take into consideration the full value of the working spouse's payments plus the spousal benefits, it might make more sense to file for benefits sooner rather than later.

Another special situation allows a divorced spouse to receive benefits on an ex-spouse's Social Security record. You must have been born before January 2, 1954, married for at least 10 years, and not currently remarried.

What if your spouse has remarried? You can still receive benefits on his or her behalf as long as you aren't currently remarried. Even if your ex-spouse doesn't receive Social Security benefits or has suspended benefits, you can apply for the spousal benefit as long as you've been divorced for two or more years. The benefits of your ex-spouse or of his or her current spouse will not decrease if you claim spousal benefits.

The decision on when to file for Social Security benefits depends on many factors, so it's important to contact a financial advisor to find the best option for you and your situation.

## Know that continuing to work may temporarily reduce your payment.

Interested in collecting Social Security but not quite ready to retire? While possible, this may result in some of your benefits being temporarily withheld, depending on your age. If you decide to apply for benefits before you reach full retirement age and continue to work, your benefits will be reduced by \$1 for every \$2 if you earn above the annual income limit. For 2018, according to the Social Security Administration (SSA), that limit is \$17,040. In the year you reach full retirement age, \$1 in benefits will be deducted for every \$3 you earn above \$45,360. (The SSA only counts earnings before the month you reach your full retirement age. Beginning with the month you reach full retirement age, your earnings no longer reduce your benefits, no matter how much you earn.)

Afraid this money is lost forever? Don't worry! Once you reach full retirement age, your benefits will be recalculated, and you will receive your full payment. Your payment will include credit for those months in which benefits were withheld.



## Know how and where to apply.

Applying for Social Security is actually easy, and you have choices when it comes to how you want to apply for benefits.

### 1. Apply online.

It seems that most everything can be done online now, and applying for your Social Security benefits is no exception.

- Go to [www.ssa.gov](http://www.ssa.gov).
- Click on the "Online Services" icon.
- On the next page, click the "Apply for Social Security benefits" tab.
- Click on "Apply for benefits" under the "Retirement or Spouse's benefits" heading.
- Select "Apply and Complete" on the next page.
- Next, fill in your information.
- Once you hit submit, your part is finished. It's that simple!

If the SSA has any questions about your application, someone will contact you.



*"...learning what you need to know before applying is a good first step for beginners."*

### 2. Apply in person.

Not everyone likes to do things online. If you prefer to apply face-to-face, you can head to your local Social Security office. Make sure to call ahead to schedule an appointment with an SSA representative. You'll need to bring identifying documents with you such as:

- Your Social Security card
- Your original birth certificate or other proof of birth (You may also submit a copy of your birth certificate certified by the issuing agency)
- Proof of U.S. citizenship or lawful alien status if you were not born in the U.S.
- A copy of your U.S. military service paper(s) (e.g., DD-214 - Certificate of Release or Discharge from Active Duty) if you had military service before 1968
- A copy of your W-2 form(s) and/or self-employment tax return for last year



### 3. Apply by phone.

You can also apply over the phone by calling 1-800-772-1213. An SSA representative will walk you through the application process.

You need to consider several things before signing up for Social Security, so meeting with a financial planner is highly recommended. In the meantime, learning what you need to know before applying is a good first step for beginners.



