



Are you ready for  
the Social Side of  
Retirement<sup>SM</sup>?



## Think you know about Social Security?

When it comes to deciding when to file for Social Security, one size definitely does not fit all.

This little true-or-false quiz can help you identify topics you may want to explore further. It can also help you take the first step in making the most out of your Social Security retirement benefits.



1. If I take benefits before my full retirement age, they will be reduced for early filing?  
 True  False
2. If I am receiving benefits before my full retirement age and continue to work, my benefits might be reduced based on how much I earn.  
 True  False
3. Once I start collecting Social Security, my benefit payments will never change.  
 True  False
4. If I have a spouse and he or she passes away, I will receive both my full benefit and my deceased spouse's full benefit.  
 True  False
5. If I have a spouse, he or she can receive benefits from my record even if he or she has no individual earnings history.  
 True  False
6. The money that comes out of my paycheck for Social Security goes into a specific account for me and remains there, earning interest, until I begin to receive my Social Security benefits.  
 True  False

7. Under current Social Security law, full retirement age is 65 no matter when you were born.
- True  False
8. A divorced person might be able to collect Social Security benefits based on an ex-spouses' s earnings record.
- True  False
9. Under current law, Social Security benefits could be reduced for everyone by 2035.
- True  False
10. I must be a U.S. Citizen to collect Social Security retirement benefits.
- True  False

### Bonus Question

11. If I file for retirement benefits and have dependent children age 18 or younger, they also may qualify for Social Security benefits from my record.
- True  False



# Answers

## 1. True

If you collect Social Security retirement benefits before reaching full retirement age, you effectively lock in a lower monthly benefits amount for the rest of your life.

If you wait to begin collecting until after you reach full retirement age, you become eligible for delayed retirement credits.

These credits increase your monthly benefit amount by up to 8 percent simple interest for each year you delay, collecting up to a maximum of 32 percent. Once you reach age 70, no additional delayed retirement credits are earned.

**Source:** Social Security Administration, “When to Start Receiving Retirement Benefits”

[www.ssa.gov/pubs/EN-05-10147.pdf](http://www.ssa.gov/pubs/EN-05-10147.pdf)

## 2. True

You can work and receive Social Security retirement benefits. However, if you have not reached your full retirement age, your earnings will be subject to the retirement earnings test. If your earned income exceeds the test limits, the Social Security Administration may withhold all or a portion of your benefits. These withheld benefits are not lost. At full retirement age they will gradually be repaid back to you over your life expectancy.

**Source:** Social Security Administration, “Retirement Planner: Getting Benefits While Working”

[www.ssa.gov/planners/retire/whileworking.html](http://www.ssa.gov/planners/retire/whileworking.html)

### 3. False

The Social Security Act of 1973 included a provision for cost-of-living adjustments (COLAs) to help Social Security benefits track with inflation. Each year, the Social Security Administration uses specific indexes and formulas mandated by this legislation to determine whether a COLA will apply to benefits paid in the coming year and, if so, how much the increase will be. For more detailed information on how COLAs are calculated, visit the link below.

**Source:** Social Security Administration, “Cost of Living Adjustments (COLA)”  
[www.ssa.gov/news/cola](http://www.ssa.gov/news/cola)

### 4. False

Social Security retirement benefits are only paid while you are alive. Assuming that you are eligible, the amount you receive will equal the greater of your benefit or your spouse’s benefits. In all cases, household income from Social Security will fall when a spouse dies.

**Source:** Social Security Administration, “Survivor Planner: Protection Your and Your Family Can Count On”  
[www.ssa.gov/planners/survivors/](http://www.ssa.gov/planners/survivors/)



## 5. True

Many spouses choose to stay at home to raise children, care for dependent parents or otherwise spend extended periods of time outside of the paid workforce. This can affect a spouse's ability to qualify for Social Security benefit on their own work record. In such cases, the non-working spouse may be eligible for a Social Security "spousal benefit." A spousal benefit can be as much as 50 percent of the working spouse's full retirement age benefit. The exact percentage will depend on whether the spouse filing for spousal benefits has reached his or her full retirement age. Taking benefit before full retirement age will cause them to be reduced.

**Source:** Social Security Administration, "Retirement Planner: Benefits for Your Spouse" [www.ssa.gov/planners/retire/yourspouse.html](http://www.ssa.gov/planners/retire/yourspouse.html)

## 6. False

The money you paid is first used to pay benefits to people who have retired or are disabled or are survivors of workers who had died and dependent beneficiaries. Any unused money then goes into the Social Security Trust Funds. These Trust Funds are invested in special Government Bonds which are interest bearing. The interest on these bonds goes back into the Trust Fund each year. There is no individual account with your name on it.

**Source:** Social Security Administration, "Understanding the Benefits" <https://www.ssa.gov/pubs/EN-05-10024.pdf>

## 7. False

Your full retirement age is based on the year you were born. For people born between 1943 and 1954, full retirement age is 66. For those born between 1955 and 1959, the full retirement age increases by two months each year starting at 66 years and 2 months if you were born in 1955. If you were born in 1960 or later, the full retirement age is 67.

**Source:** Social Security Administration, “Retirement Planner: Full Retirement Age”  
[www.ssa.gov/planners/retire/retirechart.html](http://www.ssa.gov/planners/retire/retirechart.html)

## 8. True

Depending on their age and the amount of their benefit, a divorced person can collect from the earnings record of an ex-spouse without affecting the ex-spouse in any way.

**Source:** Social Security Administration, “Retirement Benefits – Benefits for a Divorced Spouse”  
<https://www.ssa.gov/benefits/retirement/planner/applying7.html#h4>

## 9. True

Based on current assumptions, without Congressional action, the Social Security Trust funds reserves could be gone between 2032 and 2035. At that time the Social Security Administration would have to reduce but not eliminate benefits.

**Sources:** Social Security Administration Trustees Report for 2020  
<https://www.ssa.gov/oact/tr/2020/>



## 10. False

You do not need to be a U.S. citizen to qualify for Social Security retirement benefits. Resident aliens who pay into the Social Security system may qualify to receive retirement benefits, assuming they earn enough credits and meet specific criteria. To become part of the Social Security system, noncitizens must have lawful alien status, permission by the U.S. Citizenship and Immigration Services (USCIS) to work in the U.S., and a Social Security number.

**Source:** Social Security Administration, “Social Security Numbers for Noncitizens” [www.ssa.gov/pubs/EN-05-10096.pdf](http://www.ssa.gov/pubs/EN-05-10096.pdf).

## Bonus Question

### 11. True

When you file for Social Security retirement benefits, your children may also qualify to receive benefits based on your work record. An eligible child can be your biological child, adopted child, or stepchild. Your dependent grandchild may also qualify. Normally, benefits stop when children reach age 18, unless they have a disability. However, if the child is still a full-time student at a secondary school at age 18, benefits will continue until the child graduates or until two months after the child reaches age 19, whichever comes first.

**Source:** Social Security Administration, “Retirement Planner: Benefits for Your Children” [www.ssa.gov/planners/retire/yourchildren.html](http://www.ssa.gov/planners/retire/yourchildren.html)

# How many correct answers did you have?

- 10–11** Congratulations! You've done your homework.
- 7–9** Not bad, but a little brushing up may be in order.
- 5–6** Hmm... it's worth doing some research to learn more.
- 1–4** Uh-oh! What you don't know really could hurt you!

## Answer Key

- 1. True
- 2. True
- 3. False
- 4. False
- 5. True
- 6. False
- 7. False
- 8. True
- 9. True
- 10. False
- 11. True

*This material addresses only a few of the many issues that may potentially affect your Social Security filing decisions. Your own situation may be more complex.*

*Social Security retirement benefits are too important to leave to chance. Get the information you need to make a sound filing decision.*



## Contact the Social Security Administration

For more information, copies of publications, or to set up your own *my* Social Security account, visit the Social Security Administration website at **[www.ssa.gov](http://www.ssa.gov)** or call toll free at **1-800-772-1213 (TTY: 1-800-325-0778)**.

Final decisions about Social Security filing strategies always rest with you and should be based on your specific needs and health considerations.

It is important to acquire as much information as possible so that you can make an informed Social Security claiming decision; one year after the Social Security claiming decision has been made, the options for change are extremely limited.

Some people, such as federal, state, and local government workers, may be subject to the “Government Pension Offset” and the “Windfall Elimination Provision,” which could decrease their Social Security benefits.

If you work for an employer that offers a retirement plan, your plan benefit may be subject to a Social Security “pension offset” provision. (Your 401(k) contributions and the employer match are not subject to a pension offset.) A pension offset may reduce the amount of your retirement plan benefit when you become eligible to collect Social Security retirement benefits. This reduction may apply whether or not you are collecting Social Security retirement benefits. This could be an important consideration as you make your filing decision. Your plan administrator can tell you whether your plan includes a Social Security pension offset provision and how it might affect your retirement plan benefit.

The Social Security program was created by an Act of Congress and is subject to change. In the past, Congress has made changes to the law, which have affected Social Security benefits. Congress can make changes to the law at any time, which might affect benefits in the future.

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