



# Thinking of retiring?

[www.socialsecurity.gov](http://www.socialsecurity.gov)

## Some things to consider

Retirement can have more than one meaning these days. It can mean that you have applied for Social Security retirement benefits or that you are no longer working. Or it can mean that you have chosen to receive Social Security while still working, either full or part-time. All of these choices are available to you. Your retirement decisions can have very real effects on your ability to maintain a comfortable retirement.

If you retire early, you may not have enough income to enjoy the years ahead of you. Likewise, if you retire late, you'll have a larger income, but fewer years to enjoy it. Everyone needs to try to find the right balance, based on his or her own circumstances.

We hope the following information will help you as you plan for your future retirement and consider your retirement options.

## Avoid a Medicare Penalty Sign Up at Age 65

Even if you don't plan to receive monthly benefits, be sure to sign up for Medicare *three months before* turning age 65. If you don't sign up for Medicare Part B (medical insurance) when you're first eligible, your coverage may not start right away and you may have to pay a late enrollment penalty for as long as you have it. You can apply online. Visit [www.socialsecurity.gov/medicareonly](http://www.socialsecurity.gov/medicareonly) for information and to apply.

## What is the best option for you?

Everyone's situation is different. That is why Social Security has created several retirement planners to help you decide what would be best for you and your family. Social Security has an online calculator that can provide immediate and accurate retirement benefit estimates to help you plan for your retirement.

The online Retirement Estimator is a convenient, secure, and quick financial planning tool. It uses your own earnings record information, thereby eliminating any need to manually key in years of earnings information. The estimator also will let you create "what if" scenarios. You can, for example, change your "stop work" date or expected future earnings to create and compare different retirement options. To use the Retirement Estimator, go to our website at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator).

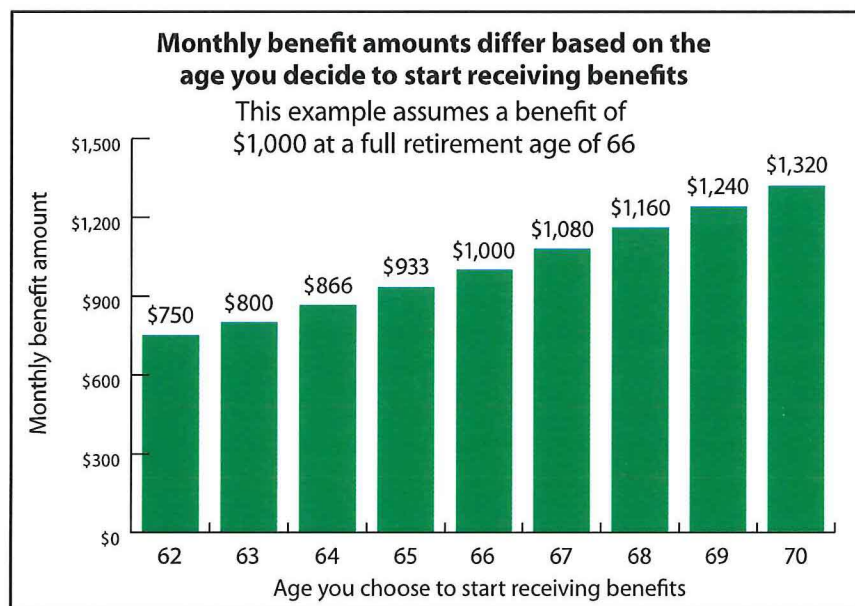
There is one more thing you should remember as you crunch the numbers for your retirement. You may need your income to be sufficient for a long time, because people are living longer than ever before, and generally, women tend to live longer than men. For example:

- The typical 65-year-old today will live to age 83;
- One in four 65-year-olds will live to age 90; and
- One in ten 65-year-olds will live to age 95.

Once you decide on the best age for you to actually retire, remember to complete your application *three months before* the month in which you want retirement benefits to begin.

## It's so easy to apply online for benefits

The easiest way to apply for Social Security retirement benefits is to go online at [www.socialsecurity.gov/applyforbenefits](http://www.socialsecurity.gov/applyforbenefits). If you do not have access to the Internet, you can call 1-800-772-1213 (TTY number, 1-800-325-0778) between 7 a.m. and 7 p.m., Monday through Friday, to apply by phone. You also can apply at any Social Security office. To avoid having to wait, call first to make an appointment.





# Receiving benefits while you work

When you reach your full retirement age, you can work and earn as much as you want and still receive your full Social Security benefit payment. If you are younger than full retirement age and if your earnings exceed certain dollar amounts, some of your benefit payments during the year will be withheld.

This does not mean you must try to limit your earnings. If we withhold some of your benefits because you continue to work, we will pay you a higher monthly benefit amount when you reach your full retirement age. In other words, if you would like to work and earn more than the exempt amount, you should know that it will not, on average, reduce the total value of lifetime benefits you receive from Social Security—and may actually increase them.

Here is how this works: after you reach full retirement age, we will recalculate your benefit amount to give you credit for any months in which you did not receive some benefit because of your earnings. In addition, as long as you continue to work, we will check your record every year to see whether the additional earnings will increase your monthly benefit.

Many people can continue to work and still receive retirement benefits. If you want more information on how earnings affect your retirement benefits, ask for *How Work Affects Your Benefits* (Publication No. 05-10069), which has current annual and monthly earnings limits, and is available on our website.

## Retirement age considerations

### Full retirement age

For persons born during the years 1943-1954, the full retirement age is 66. If you were not born in this period, you can find your full retirement age on page 2 of your *Social Security Statement*.

### Retiring early

If you've earned 40 credits (credits are explained on page 2 of your *Statement*), you can start receiving Social Security benefits at 62 or at any month between 62 and full retirement age. However, your benefits will be reduced based on the number of months you receive benefits before you reach full retirement age.

If your full retirement age is 66, benefits will be reduced:

- 25 percent at age 62;
- 20 percent at age 63;
- 13½ percent at age 64; or
- 6⅔ percent at age 65.

### Delaying retirement

You may decide to wait beyond your full retirement age before choosing to receive benefits. If

so, your benefit will be increased by a certain percentage for each month you don't receive benefits between your full retirement age and age 70. This table shows the rate your benefits increase if you delay retiring.

Year of birth	Yearly increase rate
1941 - 1942	7.5%
1943 or later	8.0%

### Rules that may affect your survivor

If you are married and die before your spouse, he or she may be eligible for a benefit based on your work record. If you start benefits before your full retirement age, we cannot pay your surviving spouse a full benefit from your record. Also, if you wait until after your full retirement age to begin benefits, the surviving spouse benefits based on your record will be higher.

## Need more information?

You can find answers to frequently asked questions about Social Security, learn about factors that could affect your benefits, and much more by visiting Social Security online at [www.socialsecurity.gov](http://www.socialsecurity.gov).

If you do not have access to the Internet, you can get information about Social Security by calling **1-800-772-1213 (1-800-325-0778** for the deaf or hard of hearing) or by visiting a local Social Security office.

## Other useful websites

[www.mymoney.gov](http://www.mymoney.gov)

This website contains calculators for financial planning and information on money-related matters, such as retirement planning and starting a small business.

[www.dol.gov/ebsa/pdf/nearretirement.pdf](http://www.dol.gov/ebsa/pdf/nearretirement.pdf)

Have you determined how much money you will need in retirement? There are many tools available to help you, such as the *Taking the Mystery Out of Retirement Planning Workbook* available at this link.

[www.sec.gov/investor/seniors.shtml](http://www.sec.gov/investor/seniors.shtml)

Are you looking for information about the investment options available to you as you enter retirement? The Securities and Exchange Commission has a wealth of information on different investment products and topics available at this website.

[www.usa.gov/topics/seniors.shtml](http://www.usa.gov/topics/seniors.shtml)

This website has a variety of resources for seniors on topics including retirement planning, housing, and health.



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# Some Facts About Social Security

## About Social Security and Medicare...

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, and other medical services and supplies to people age 65 and older, or to people who have been receiving Social Security disability benefits for two years or more. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit [www.medicare.gov](http://www.medicare.gov) or call 1-800-633-4227 (TTY 1-877-486-2048 if you are deaf or hard of hearing).

## Here are some facts about Social Security's benefits:

**Retirement** — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 and later.

Some people retire before their full retirement age. You can retire as early as age 62 and take your benefits at a reduced rate. If you continue working after your full retirement age, you can receive higher benefits because of additional earnings and special credits for delayed retirement.

**Disability** — If you become disabled before full retirement age, you can receive disability benefits after six months if you have:

- enough credits from earnings (depending on your age, you must have earned six to 20 of your credits in the three to 10 years before you became disabled); and
- a physical or mental impairment that's expected to prevent you from doing "substantial" work for a year or more *or* result in death.

**Family** — If you're eligible for disability or retirement benefits, your current or divorced spouse, minor children or adult children disabled before age 22 also may receive benefits. Each may qualify for up to about 50 percent of your benefit amount. The total amount depends on how many family members qualify.

**Survivors** — When you die, certain members of your family may be eligible for benefits:

- your spouse age 60 or older (50 or older if disabled, or any age if caring for your children younger than age 16); and
- your children if unmarried and younger than age 18, still in school and younger than 19 years old, or adult children disabled before age 22.

If you are divorced, your ex-spouse could be eligible for a widow's or widower's benefit on your record when you die.

## Receive benefits and still work...

You can continue to work and still get retirement or survivors benefits. If you're younger than your full retirement age, there are limits on how much you can earn without affecting your benefit amount. The limits change each year. When you apply for benefits, we'll tell you what the limits are at that time and whether work would affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

## Before you decide to retire...

Think about your benefits for the long term. Everyone's situation is different. For example, be sure to consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your benefits will be permanently reduced. However, you'll receive benefits for a longer period of time.

To help you decide when is the best time for you to retire, we offer a free booklet, *Social Security — Retirement Benefits* (Publication No. 05-10035), that provides specific information about retirement. You can calculate future retirement benefits on our website at [www.socialsecurity.gov](http://www.socialsecurity.gov) by using the *Social Security Benefit Calculators*.

There are other free publications that you may find helpful, including:

*Understanding The Benefits* (No. 05-10024) — a general explanation of all Social Security benefits;

*Your Retirement Benefit: How It Is Figured* (No. 05-10070) — an explanation of how you can calculate your benefit;

*Windfall Elimination Provision* (No. 05-10045) — how it affects your retirement or disability benefits;

*Government Pension Offset* (No. 05-10007) — an explanation of a law that affects spouse's or widow(er)'s benefits; and

*Identity Theft And Your Social Security Number* (No. 05-10064) — what to do if you're a victim of identity theft.

We also have other leaflets and fact sheets with information about specific topics such as military service, self-employment or foreign employment. You can request Social Security publications at [www.socialsecurity.gov](http://www.socialsecurity.gov) or by calling us at 1-800-772-1213.

**If you need more information—** Visit [www.socialsecurity.gov/mystatement](http://www.socialsecurity.gov/mystatement) on the Internet, contact any Social Security office, call 1-800-772-1213 or write to Social Security Administration, Office of Earnings Operations, P.O. Box 33026, Baltimore, MD 21290-3026. If you're deaf or hard of hearing, call TTY 1-800-325-0778. If you have questions about your personal information, you must provide your complete Social Security number. If your address is incorrect on this *Statement*, ask the Internal Revenue Service to send you a Form 8822. We don't keep your address if you're not receiving Social Security benefits.

Para solicitar una *Declaración* en español, llame al 1-800-772-1213

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