



Your Retirement Benefit: How It's Figured

As you make plans for your retirement, you may ask, “How much will I get from Social Security?” If you have a personal *my* Social Security account, you can get an estimate of your personal retirement benefits and see the effects of different retirement age scenarios. If you don't have a personal *my* Social Security account, you can create one at www.ssa.gov/myaccount. A personal *my* Social Security account also gives access to the online *Social Security Statement (Statement)*. In the *Statement*, a bar graph shows your retirement benefit estimates for up to nine ages when you may want to start benefits.

Many people wonder how we figure their Social Security retirement benefit. We:

- Base Social Security benefits on your lifetime earnings.
- Adjust or “index” your actual earnings to account for changes in average wages since the year the earnings were received.
- Calculate your average indexed monthly earnings during the 35 years in which you earned the most.
- Apply a formula to these earnings and arrive at your basic benefit, or “primary insurance amount.”

This is how much you would receive at your full retirement age — 65 or older, depending on your date of birth.

Even if you aren't at your retirement age, you can plan for retirement now. Workers age 18 and older can go online, create a personal account at www.ssa.gov/myaccount, to review and ensure the earnings record is correct. We compute your benefits based on your earnings record.

Factors that can change the amount of your retirement benefit

- *You choose to get benefits before your full retirement age.* You can begin to receive Social Security benefits as early as age 62, but at a reduced rate. We reduce your basic benefit by a certain percentage if you retire before reaching full retirement age. You can find your full retirement age at www.ssa.gov/planners/retire/retirechart.html.
- *You're eligible for cost-of-living benefit increases starting with the year you turn age 62.* This is true even if you don't get benefits until your full retirement age or even age 70. We add cost-of-living increases to your benefit beginning with the year you reach 62. Benefits are adjusted yearly to reflect the increase, if any, in the cost-of-living as measured by the Consumer Price Index.
- *You delay your retirement past your full retirement age.* We increase your Social Security benefits incrementally each month that you delay receiving benefits after your full retirement age until you reach age 70.
- *You're a government worker with a pension.* In certain circumstances, we apply a different formula to your average indexed monthly earnings. This applies if you also get, or are eligible for, a retirement or disability pension from work for which you didn't pay Social Security taxes. This work is usually a government job or a job in a foreign country. To find out how the Windfall Elimination Provision (WEP) affects your benefits, go to www.ssa.gov/gpo-wep and use the WEP online calculator. You can also review the WEP fact sheet online or read *Windfall Elimination Provision* (Publication No. 05-10045) to find out how we figure your benefit. Or, you can contact us and ask for it.

You can find a detailed explanation about how we calculate your retirement benefit in the *Annual Statistical Supplement, Appendix D* at www.ssa.gov/policy/docs/statcomps/supplement.

Contacting Social Security

The most convenient way to do business with us is to visit www.ssa.gov to get information and use our online services. There are several things you can do online: apply for benefits; get useful information; find publications; and get answers to frequently asked questions.

When you open a personal *my* Social Security account, you have more capabilities. You can review your *Statement*, verify your earnings, and get estimates of future benefits. You can also print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, get a replacement SSA-1099/1042S, and request a replacement Social Security card (if you have no changes and your state participates). Access to your personal *my* Social Security account may be limited for users outside the United States.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week, so you do not need to speak with a representative. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

A member of our staff can answer your call from 8 a.m. to 7 p.m., Monday through Friday.

Wait times to speak to a representative are typically shorter Wednesdays through Fridays or later in the day.



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