



# 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, create one at [www.ssa.gov/myaccount](http://www.ssa.gov/myaccount) or you can use our online *Retirement Estimator* at [www.ssa.gov/estimator](http://www.ssa.gov/estimator). A personal *my* Social Security account also gives access to the online *Social Security Statement*. The *Statement* provides estimates of retirement benefits at three ages: age 62, full retirement age, and age 70.

Many people wonder how we figure their Social Security retirement benefit. We base Social Security benefits on your lifetime earnings. We adjust or “index” your actual earnings to account for changes in average wages since the year the earnings were received. Then, Social Security calculates your average indexed monthly earnings during the 35 years in which you earned the most. We 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 retirement age, you can plan for retirement now. Workers age 18 and older can also go online, create a personal account, and review their *Social Security Statement*. Go to [www.ssa.gov/myaccount](http://www.ssa.gov/myaccount) to review your *Statement* to ensure your earnings record is correct. This is how your benefits are computed.

## 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 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](http://www.ssa.gov/planners/retire/retirechart.html).

- *You're eligible for cost-of-living benefit increases starting with the year you become 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.* If you also get, or are eligible for, a retirement or disability pension from work for which you didn't pay Social Security taxes (usually a government job or a job in a foreign country), we apply a different formula to your average indexed monthly earnings. To find out how the Windfall Elimination Provision (WEP) affects your benefits, go to [www.ssa.gov/gpo-wep](http://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](http://www.ssa.gov/policy/docs/statcomps/supplement).

## Contacting Social Security

The most convenient way to do business with us from anywhere, on any device, is to visit [www.ssa.gov](http://www.ssa.gov). 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 *Social Security 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).

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. 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 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a high rate of busy signals and longer hold times to speak to us. We look forward to serving you.



Securing today  
and tomorrow

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