

FAQs: Social Security (From AARP Bulletin: December 2010)

1) I am About to Turn 62 and Plan to File for Social Security. How do I get started?

You should apply three months before you want to start collecting. Sign up at socialsecurity.gov/retireonline or call 1-800-772-1213. Here are some documents you may have to produce: your social Security card or a record of the number; your birth certificate; proof of US citizenship or lawful alien status; military discharge papers, if you served before 1968; and last year's W-2 tax form or tax return if you're self-employed.

2) How is my Social Security Benefit Calculated?

Benefits are based on the amount of money you earned during your lifetime - with an emphasis on the 35 years in which you earned the most. Plus, lower-paid workers get a bigger percentage of their preretirement income than higher-paid workers.

3) If I remarry, can I still collect Social Security Benefits based on my deceased first husband's record?

You can -subject to several rules. In general, you cannot receive survivor benefits if you remarry before age 60 unless that marriage ends, too, whether by annulment, divorce or death of your new husband. If you remarry after age 60 (age 50 if disabled) you can still collect benefits on your former spouse's record. After you reach 62, you may get retirement benefits on the record of your new spouse if they are higher.

4) Why won't retirees get a cost-of-living adjustment for 2011?

COLAs are based on the consumer price index, which tracks inflation. Because inflation has been flat, according to the CPI, there will be no benefit increase - for the second year in a row.

5) I am 56 and receive Social Security disability benefits. At what point will I switch to regular Social Security? Will the monthly amount change?

When you reach full retirement age, your disability benefits will automatically convert to retirement benefits. The amount will remain the same.

6) My friend died at 66. She worked full time and had not applied for benefits. What happens to the money she contributed to Social Security? Can her children claim benefits?

The money people contribute goes into a fund from which benefits are paid to eligible workers and their families. These include a widower, a surviving divorced husband, dependent parents, disabled children and children if they have not aged out.

- 7) **My husband and I are getting a divorce. He wants the settlement agreement to say I will not get his Social Security benefits. Can he do that?**

No, he has no control over your future benefits. You can qualify for a divorced spouse's benefits if you were married at least 10 years, are now unmarried, are 62 or older, and if any benefit from your own work record would be less than the divorced spouse's benefit.

- 8) **Cleaning out my mother's home after her death, we found Social Security checks from the 1980s. Can we cash them?**

No. The checks are negotiable for only 12 months after issue.

- 9) **My partner and I have been together for over seven years. If s/he dies, can I collect his/her Social Security benefits?**

AARP writes that if your state recognizes common-law marriage, you'll likely be eligible for benefits. But I am not aware of any state that recognizes "common-law marriage" and the federal government does not recognize Domestic Partnerships. You should check with the SSA for specifics about your particular case.

- 10) **Do my Social Security Contributions go into a pension retirement account that earns interest?**

No. Social Security operates under a pay-as-you-go system which means that today's workers pay for retirees and other benefits.

- 11) **I have a pension from the Army. Will that affect my Social Security benefits?**

No. You can get both your Social Security benefits and your military pension. If you served in the military before 1957, you did not pay Social Security taxes, but you will receive special credit for some of that service. Special credits are also available to people who served from 1957 to 1967 and 1968 to 2001.

- 12) **I didn't work enough to qualify for Social Security. My husband gets it, but he is ill and may not live much longer. Will I be able to collect benefits?**

Yes, but your benefit will depend on your age and situation; if you are at full retirement age or older, you'll get 100 percent of your deceased husband's benefit. A widow or widower between 60 and full retirement age receives a reduced benefit.

13) Is it true that some people are collecting Social Security benefits who never paid into the system?

Social Security is an earned benefit. In order to collect a retirement benefit, a worker must pay into the system for at least 10 years. In some cases, non-working family members, such as a spouse, may be eligible for benefits based on the worker's record. Tough rules in place provide that only legal residents can collect Social security benefits.

14) I filed for Chapter 13 bankruptcy after being laid off. Do Social Security benefits count as income in bankruptcy, or are they protected?

Your benefits are protected. Social Security is excluded from the calculation of disposable income when setting up a debtor repayment plan.

15) My husband died recently. Can I choose between my own benefit and that as a widow? Can I collect both?

Eligibility for a widow's benefit begins at age 60, or 50 if you are disabled. If you are full retirement age, your survivor benefit will be 100 percent of his benefit; if you take it early, the amount will be reduced. You can switch to your own benefit as early as 62. In any event, you can only get one benefit, whichever one that is higher.

16) I began drawing Social Security at age 62 in 2006, but I'm still working. Since I'm still paying Social Security taxes, will my benefits increase?

If your latest work years are among your highest-earning years, the SSA refigures your benefit and pays you any increase due. This is automatic, with new benefits starting in December of the following year.

17) My wife is 62 and collects Social Security based on her own work record. Can she receive spousal benefits based on my record when I retire in a few years?

If she is eligible for both benefits, yours and hers, Social Security will pay her her own benefits first. If she is due additional benefits, she will get a combination of benefits equaling the higher spouse's benefit.

18) If I retire to a foreign country, can I have my Social Security benefits sent there?

If you are a US citizen, you may receive your benefits in most foreign countries, usually by check or direct deposit. If you are not a US citizen, the answer is more complicated, with certain rules applying to certain countries. For specifics, see the Social Security publication "Your Payments While You Are Outside the United States"

19) I started collecting Social Security at 62. I heard that if I changed my mind, I could pay back the amount I'd collected and get a higher payment. Is that possible?

Yes, but the sum you'd be paying back may be quite large, perhaps prohibitive. You must repay all benefits that you and your family received, plus any money withheld from your checks for Medicare Parts B, C and D; also any tax withheld. For specifics, contact Social Security.

20) Can I collect Social Security and unemployment compensation at the same time?

Yes. Unemployment benefits aren't counted as wages under Social Security's annual earnings test, so you'd still receive your benefit. However, the amount of your unemployment benefit could be cut if you receive a pension or other retirement income, including Social Security and railroad retirement benefits. Contact your state unemployment office for information about whether your state applies a reduction.

21) I am 63 and collecting Social Security. If I work, will my benefit be cut?

It depends on your income. Between the age 62 and the start of the year when you reach full retirement age, \$1 in benefits is withheld for every \$2 you earn above a limit, which is \$14,160 in 2010. In the year you reach full retirement age, \$1 is withheld for every \$3 above another limit, \$37,680 in 2010. In your birthday month in the year you reach full retirement age, the limits go away and your benefit will be recalculated upward to compensate for the money that was withheld.