



Social Security

# What You Need To Know When You Get Retirement Or Survivors Benefits

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

## Contacting Social Security

### Visit our website

Our website, [www.socialsecurity.gov](http://www.socialsecurity.gov), is a valuable resource for information about all of Social Security's programs. At our website you also can:

- Apply for benefits;
- Get the address of your local Social Security office; and
- Get forms to request important documents, such as a *Social Security Statement*, a replacement Social Security or Medicare card or a letter to confirm your benefit amount.

### Call our 1-800 number

In addition to using our website, you also can call toll-free at **1-800-772-1213**. We can answer specific questions and provide information by automated phone service 24 hours a day. If you are deaf or hard of hearing, you may call our TTY number, **1-800-325-0778**.

We treat all calls confidentially. We also want to make sure you receive accurate and courteous service. That is why we have a second Social Security representative monitor some telephone calls.

## What's inside

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<b>Your rights and responsibilities as a Social Security beneficiary</b> .....	<b>3</b>
--	----------

---

<b>About your benefits</b> .....	<b>3</b>
----------------------------------	----------

<b>When and how your benefits are paid</b> .....	<b>3</b>
--	----------

<b>Direct Deposit</b> .....	<b>3</b>
-----------------------------	----------

<b>If you receive a check</b> .....	<b>4</b>
-------------------------------------	----------

<b>If your check is late or missing</b> .....	<b>4</b>
---	----------

<b>Paying taxes on your benefits</b> .....	<b>4</b>
--	----------

---

<b>Services we offer</b> .....	<b>5</b>
--------------------------------	----------

<b>Free service</b> .....	<b>5</b>
---------------------------	----------

<b>Information updates</b> .....	<b>5</b>
----------------------------------	----------

<b>How we will contact you</b> .....	<b>6</b>
--------------------------------------	----------

---

<b>What you need to report to us</b> .....	<b>6</b>
--	----------

<b>Your responsibilities</b> .....	<b>6</b>
------------------------------------	----------

<b>If your estimated earnings change</b> .....	<b>7</b>
--	----------

<b>If you move</b> .....	<b>7</b>
--------------------------	----------

<b>If you change direct deposit accounts</b> .....	<b>8</b>
--	----------

<b>If you are unable to manage your own money</b> .....	<b>8</b>
---	----------

<b>If you get a pension from non-covered work</b> .....	<b>8</b>
---	----------

<b>If you get married or divorced</b> .....	<b>9</b>
---	----------

<b>If you change your name</b> .....	<b>9</b>
--------------------------------------	----------

<b>If you get benefits because you are caring for a child</b> .....	<b>9</b>
---	----------

<b>If someone adopts a child who is receiving benefits</b> .....	<b>10</b>
--	-----------

<b>If you become a parent after you begin to receive benefits</b> .....	<b>10</b>
---	-----------

<b>If you are convicted of a criminal offense</b> .....	<b>10</b>
---	-----------

If you leave the United States . . . . .	11
If your citizen status changes . . . . .	11
If a beneficiary dies . . . . .	11
If you are receiving Social Security and Railroad Retirement benefits . . . . .	12

---

<b>Working and getting Social Security at the same time . . . . .</b>	<b>12</b>
How earnings affect your benefits . . . . .	12
A special monthly rule . . . . .	13
If you worked for wages . . . . .	14
If you are self-employed . . . . .	15
Reporting your earnings . . . . .	15
Your earnings estimate and your benefits . . . . .	16
Revising your estimate . . . . .	16

---

<b>Other important information . . . . .</b>	<b>17</b>
Retirement benefits for widows or widowers . . . . .	17
Benefits for children . . . . .	17
A word about Medicare . . . . .	19
Help for low-income Medicare beneficiaries . . . . .	19
Can you get SSI? . . . . .	20
A message about food stamps . . . . .	20
If you disagree with a decision we make . . . . .	20

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## Your rights and responsibilities as a Social Security beneficiary

This booklet explains some of your rights and responsibilities when you receive retirement or survivors benefits.

We suggest you take time now to read this booklet and then put it in a safe place so you can refer to it in the future.

### About your benefits

#### When and how your benefits are paid

Social Security benefits are paid each month. Generally, the day of the month you receive your benefit payment depends on the birth date of the person on whose earnings record you receive benefits. For example, if you get benefits as a retired worker, your benefit will be determined by **your** birth date. If you receive benefits based on your spouse's work, your benefit payment date will be determined by **your spouse's** birth date.

#### Direct deposit

If you did not sign up for direct deposit when you applied for benefits, we strongly urge you to do it now.

Direct deposit is a simple, safe and secure way to receive your benefits. Contact your bank to help you sign up. Or you can sign up for direct deposit by contacting us.

If you do not have an account, you may want to consider an Electronic Transfer Account. This low-cost federally insured account lets you enjoy the safety, security and convenience of automatic payments. You can get information about this

program by contacting us or visiting the website at [www.fms.treas.gov/eta](http://www.fms.treas.gov/eta) to locate a bank, savings and loan or credit union near you that offers this account.

## **If you receive a check**

To be safe, you should cash or deposit your check soon after you receive it. You should not sign your check until you are at the place where you will cash it. If you sign the check ahead of time and lose it, the person who finds it could cash it. A government check must be cashed within 12 months after the date of the check or it will be void. After a year, if you are still entitled to the payment, we will replace the voided check.

If you receive a check that you know is not due you, take it to any Social Security office or return it to the U.S. Treasury Department at the address on the check envelope. You should write **VOID** on the front of the check and enclose a note telling why you are sending the check back. If you knowingly accept payments that are not due you, you may face criminal charges.

## **If your check is late or missing**

If your check is not delivered on its due date, wait three workdays before reporting the missing check to us. The most common reason checks are late is because a change of address was not reported.

If your check is ever lost or stolen, contact us immediately. Your check can be replaced, but it takes time.

## **Paying taxes on your benefits**

About one-third of all people receiving Social Security benefits have to pay taxes on their benefits. You will have to pay taxes on your benefits if you file

a federal tax return as an “individual,” and your total income is more than \$25,000. If you file a joint return, you will have to pay taxes if you and your spouse have a total income that is more than \$32,000. If you are married and file a separate return, you probably will pay taxes on your benefits. To have federal taxes withheld, you can get a Form W-4V from the Internal Revenue Service by calling the toll-free telephone number, **1-800-829-3676**, or by visiting **[www.socialsecurity.gov](http://www.socialsecurity.gov)** on the Internet. After completing and signing the form, return it to your local Social Security office by mail or in person.

For more information, call the Internal Revenue Service’s toll-free number, **1-800-829-3676**, to ask for Publication 554, *Tax Information for Older Americans*, and Publication 915, *Social Security Benefits and Equivalent Railroad Retirement Benefits*.

## Services we offer

### Free service

The Social Security Administration is the best source of information about Social Security. You never have to pay for information or service at Social Security. Some businesses advertise that they can provide name changes, Social Security cards or earnings statements for a fee. We provide all of these services at **no charge** to you.

### Information updates

Every so often, we will send you important information about your Social Security benefits, such as:

- **Cost-of-living adjustments**

Each January, your benefits will increase automatically if the cost of living has increased. If you receive your benefits by check, we will include a

notice explaining the cost-of-living adjustment with your check.

- **Annual earnings limit**

If you are under full retirement age, there is a limit to how much you can earn and still receive all your Social Security benefits. This amount increases each year. We will notify you of the new amount in advance. For more information, including the year 2004 limits, see pages 12-13.

## How we will contact you

We generally mail you a letter or notice when we want to contact you, but sometimes a Social Security representative may come to your home. Our representative will show you identification before talking about your benefits. If you ever doubt someone who says he or she is from Social Security, call the Social Security office to ask if someone was sent to see you.

## What you need to report to us

### Your responsibilities

It is important to let us know as soon as possible whenever one of the changes listed on pages 7-12 occurs.

**NOTE:** *Failure to report a change may result in an overpayment. If you are overpaid, we will recover any payments not due you. Also, if you fail to report changes in a timely way or you intentionally make a false statement, your benefits may be stopped. For the first violation, your benefits will stop for six months, for the second violation, 12 months and for the third, 24 months.*

You can call, write or visit us to make a report. Have your claim number handy. If you receive benefits based on your work, your claim number is the same as your Social Security number. If you receive benefits on someone else's work record, your claim number will be shown on any letter we send you about your benefits.

Information you give to another government agency may be provided to Social Security by the other agency, but you also must report the change to us.

## **If your estimated earnings change**

If you are working, we usually ask you to estimate your earnings for the year. If later you realize your earnings will be higher or lower than you estimated, let us know as soon as possible so we can adjust your benefits. See "Working and getting Social Security at the same time" on pages 12-13 for help in making accurate estimates.

## **If you move**

When you plan to move, tell us your new address and phone number as soon as you know them. Even if you receive your benefits by direct deposit, Social Security must have your correct address so we can send letters and other important information to you. Your benefits will be stopped if we are unable to contact you. You can change your address at our website, [\*\*\*www.socialsecurity.gov/changeaddress.html\*\*\*](http://www.socialsecurity.gov/changeaddress.html).

If any family members who are getting benefits are moving with you, please tell us their names. Be sure you also file a change of address with your post office.

## **If you change direct deposit accounts**

If you change financial institutions or open a new account, you can change your direct deposit online if you have a PIN and a password. Or, we can change your direct deposit information over the telephone after we verify your identity. Have your new and old account numbers handy when you call us. They will be printed on your personal checks or account statements. It takes about 30-60 days to change this information. Do not close your old account until you make sure your Social Security benefits are being deposited into the new account.

## **If you are unable to manage your own money**

Sometimes a person is unable to manage his or her own money. When this happens, Social Security should be notified. We can arrange to send benefits to a relative or other person who agrees to use the money for the well-being of the beneficiary. We call this person a “representative payee.”

***NOTE:** People who have “power of attorney” for someone do not automatically qualify to be a representative payee.*

## **If you get a pension from non-covered work**

If you start receiving a pension from a job for which you did not pay Social Security taxes—for example, from the federal Civil Service Retirement System or some state or local pension systems—your Social Security benefits may need to be recalculated, and they may be reduced. Also, tell us if the amount of your pension changes.

## **If you get married or divorced**

If you get married or divorced, it may affect your Social Security benefits, depending on the kind of benefits you receive.

Your benefits may be started again if the marriage ends.

## **If you change your name**

If you change your name—by marriage, divorce or court order—you need to tell us right away. If you do not give us this information, your benefits will be issued under your old name and, if you have direct deposit, payments may not reach your account. If you receive checks, you may not be able to cash them if your identification is different than the name on your check.

## **If you get benefits because you are caring for a child**

If you receive benefits because you are caring for a child who is under age 16 or disabled, you should notify us right away if the child is no longer in your care or changes address. Give us the name and address of the person with whom the child is living.

A temporary separation may not affect your benefits if you continue to exercise parental control over the child, but your benefits will stop if you no longer have responsibility for the child. If the child returns to your care, we can start sending benefits to you again.

Your benefits will end when the youngest unmarried child in your care reaches age 16 unless the child is disabled. Your child's benefits can continue as explained on pages 17-18.

## **If someone adopts a child who is receiving benefits**

When a child who is receiving benefits is adopted, let us know the child's new name, the date of the adoption decree, and the adopting parent's name and address. The adoption will not cause benefits to end.

## **If you become a parent after you begin to receive benefits**

If you become the parent of a child (including an adopted child) after you begin receiving benefits, let us know so we can decide if the child is eligible for benefits.

## **If you are convicted of a criminal offense**

If you get Social Security benefits and are convicted of a crime, Social Security should be notified immediately. Benefits generally are not paid for the months a person is confined, but any family members who are eligible may continue to receive benefits.

Also, benefits usually are not paid to persons who commit a crime and are confined to an institution by court order and at public expense. This applies if the person has been found:

- Not guilty by reason of insanity or similar factors (such as mental disease, mental defect or mental incompetence); or
- Incompetent to stand trial.

For more information, call Social Security at our toll-free number, **1-800-772-1213**, to ask for *What Prisoners Should Know About Social Security* (Publication No. 05-10133). Or you can go to our website at **[www.socialsecurity.gov](http://www.socialsecurity.gov)** to print a copy of this publication.

## **If you leave the United States**

If you are a U. S. citizen, you can travel or live in most foreign countries without affecting your eligibility for Social Security benefits. However, there are a few countries where we cannot send Social Security checks. These countries are Cuba, Cambodia, North Korea, Vietnam, Azerbaijan, Belarus, Kazakstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan and Georgia.

Let us know if you plan to go outside the United States for a trip that lasts 30 days or more. Tell us the name of the country or countries you plan to visit and the date you expect to leave the U.S. We will send you special reporting instructions and tell you how to arrange for your benefits while you are away. Be sure to let us know when you return to the U.S. If you are not a U.S. citizen and you return to live in the U.S., you must provide evidence of your lawful alien status in order to continue receiving benefits. If you work outside the U.S., different rules apply in determining whether you can get your benefit checks.

## **If your citizen status changes**

If you are not a citizen, let us know if you become a U.S. citizen or your noncitizen status changes. If your noncitizen status expires, you must give us new evidence that shows you can lawfully be in the United States.

## **If a beneficiary dies**

When a person who receives Social Security benefits dies, no benefit is payable for the month of death. For example, if a person dies in July, the benefits received in August (which is payment for July) must be returned. If the beneficiary has direct

deposit, the financial institution must be notified of the death as soon as possible so it can return any payments received after the beneficiary's death.

Family members may be eligible for Social Security survivors benefits when a retired worker dies.

## **If you are receiving Social Security and Railroad Retirement benefits**

If you are receiving both Social Security and Railroad Retirement benefits based on your spouse's work and your spouse dies, you must tell us immediately. You will no longer be eligible to receive both benefits. You will be notified which survivor benefit you will receive.

## **Working and getting Social Security at the same time**

### **How earnings affect your benefits**

You can continue to work and still get Social Security retirement benefits. Your earnings in (and after) the month you reach your full retirement age will not affect your Social Security benefits. However, your benefits will be reduced if your earnings exceed certain limits for the months before you reach your full retirement age. (The full retirement age is 65 and 4 months for people born in 1939 and will gradually increase to 67 for persons born in 1960 or later.)

- If you are younger than full retirement age, \$1 in benefits will be deducted for each \$2 in earnings you have above the annual limit (\$11,640 in 2004).
- In the year you reach your full retirement age, your benefits will be reduced \$1 for every \$3 you earn over a different limit (\$31,080 in 2004) until the month you reach full retirement age. Then you get

your full Social Security benefit payments, no matter how much you earn.

If you are younger than full retirement age and some of your benefits are withheld because your earnings are more than \$11,640, there is some good news. When you reach full retirement age, your benefits will be increased to take into account those months in which you received no benefit or reduced benefits.

Also, any wages you earn after signing up for Social Security will probably increase your overall average earnings, and your benefit probably will increase.

For more information, call Social Security at our toll-free number, **1-800-772-1213**, to ask for *How Work Affects Your Benefits* (Publication No. 05-10069). Or you can go to our website at **[www.socialsecurity.gov](http://www.socialsecurity.gov)** to print a copy of this publication.

## **A special monthly rule**

Sometimes people who retire in mid-year already have earned more than the yearly earnings limit. That is why there is a special rule that applies to earnings for one year, usually the first year of retirement. Under this rule, you can get full Social Security benefits for any whole month you are retired, regardless of your yearly earnings.

In 2004, a person under full retirement age (age 65 and 4 months) is considered retired if monthly earnings are \$970 or less. For example, John Smith retires at age 62 on August 30, 2004. He will make \$45,000 through August. He takes a part-time job beginning in September, earning \$500 per month. Although his earnings for the year substantially exceed the 2004 limit (\$11,640), he will receive a Social Security payment for September through December. This is because his earnings in those months are less than \$970, the special “first year of retirement” monthly limit for people younger than full retirement age. If

Mr. Smith earns more than \$970 in any of those months (September through December), he will not receive a benefit for that month.

Beginning in 2005, only the yearly limits will apply to him because he will be beyond his first year of retirement.

If you are self-employed, the monthly limit is based on whether you perform substantial services in your business. In general, if you work more than 45 hours a month in self-employment, you will not be able to get benefits for that month.

For detailed information about whether your work is substantial, call Social Security to ask for the publication, *When You Retire From Your Own Business What You Need To Know* (Publication No. 05-10038). Or you can go to our website at [www.socialsecurity.gov](http://www.socialsecurity.gov) and print a copy of this publication.

## **If you worked for wages**

Wages count toward the earnings limit when they are earned, not when they are paid. If you have income that you earned in one year, but the payment was deferred to a following year, these earnings will not be counted as earnings for the year you receive them. Some examples of deferred income include accumulated sick or vacation pay, bonuses, stock options and other deferred compensation. If you are paid wages in one year for work you did in previous years, you should contact us.

We have arrangements with IRS to have employers report some types of deferred compensation directly on the Form W-2. These amounts are shown in a box labeled, "Nonqualified Plan." We will subtract the amount shown from your total earnings to determine which earnings we count.

## If you are self-employed

If you are self-employed, income counts when you receive it—not when you earn it—except if it is paid in a year after you become entitled to Social Security and was earned before you became entitled to Social Security. For example, if you started getting Social Security in June 2003 and you receive some money in February 2004 for work you did before June, it will not count against your 2004 earnings limit. However, if the money you receive in February 2004 was for work you did after June, it will count against your 2004 earnings limit.

## Reporting your earnings

Because your earnings after you start receiving benefits may affect your Social Security benefits, we need to know how much you earn during the year. Usually, we get that information from:

- The earnings your employer reports on your W-2; and
- Your self-employment earnings reported on your income tax return.

You need to report your earnings to us after the end of the year only if:

- You are eligible for the special monthly rule and you earned less than the monthly limit (if so, let us know so we can pay you benefits for that month);
- Some or all of the earnings shown on your W-2 were not earned in the year reported;
- Your wages were over the limit and you also had a net loss in self-employment;
- Your W-2 shows employer-reported wages that you will include on a self-employment tax return (ministers, for example);

- You filed a self-employment tax return, but you did not perform any services in your business or you file your tax return on a fiscal year basis;
- You are a farmer and you get federal agricultural program payments or you have income from carryover crops; or
- We withheld some benefits, but you had no earnings for the year or your earnings were less than you told us.

If we have to adjust the amount of your benefits, based on your report, we will tell you. It is important for you to review the information. About mid-year, we may send you a letter asking you to estimate your current and next year's earnings. Your estimates will help us avoid paying you too much or too little in benefits.

**NOTE:** *If you also are receiving Supplemental Security Income (SSI) payments in addition to your Social Security benefits, you must report all of your earnings to Social Security.*

## **Your earnings estimate and your benefits**

We adjusted your benefits this year based on the earnings you told us you expected to receive this year.

If other family members get benefits based on your work, your earnings may affect the total family benefits. But, if you get benefits as a family member, your earnings affect only your benefits.

## **Revising your estimate**

When you work, you should save your pay stubs. At any time during the year, if you see that your earnings will be different from what you estimated, you should call us to revise the estimate. This will help us keep the amount of your Social Security benefits correct.

### Retirement benefits for widows or widowers

You can switch to retirement benefits based on your own work if they are higher than those you receive as a result of your deceased spouse's work. These benefits may be higher as early as age 62 or possibly as late as age 70. The rules are complex and vary depending on your situation. If you have not talked with a Social Security representative about retirement benefits (or your circumstances have changed), contact your local Social Security office to discuss the options available to you.

### Benefits for children

If a child is getting benefits based on your work, there are important things you should know about his or her benefits:

- **When a child reaches age 18**

- A child's benefits stop with the month before the child reaches age 18, unless the child is either disabled or is a full-time elementary or secondary school student.
- About five months before the child's 18th birthday, the person receiving the child's benefits will get a form explaining how benefits can continue.
- A child whose benefits stopped at age 18 can have them started again if he or she becomes disabled before reaching age 22 or becomes a full-time elementary or secondary school student before reaching age 19.

- **If a child is disabled**

A child can continue to receive benefits after age 18 if he or she has a disability. The child also may

qualify for SSI disability payments. Call us for more information.

- **If a child age 18 is a student**

A child can receive benefits until age 19 if he or she continues to be a full-time elementary or secondary school student. When your child's 19th birthday occurs during a school term, benefits can be continued until completion of the term, or for two months following the 19th birthday, whichever comes first.

Social Security should be notified immediately if the student drops out of school, changes from full-time to part-time attendance, is expelled or suspended, or changes schools. We also should be told if the student is paid by his or her employer for attending school.

We send each student a form at the start and end of the school year. It is important that the form is filled out and returned to us. Benefits could be stopped if we do not receive the form.

A student can keep receiving benefits during a vacation period of four months or less if he or she plans to go back to school full time at the end of the vacation.

A student who stops attending school generally can receive benefits again if he or she returns to school full time before age 19. The student needs to contact us to reapply for benefits.

- **How divorce affects a stepchild's benefits**

If a stepchild is receiving benefits based on your work and you and the child's parent divorce, the stepchild's benefit will end the month after the divorce becomes final. You must tell us as soon as the divorce becomes final.

## A word about Medicare

Medicare is a health insurance plan for people who are age 65 or older. People who are disabled or have permanent kidney failure can get Medicare at any age.

Medicare has two parts—hospital insurance and medical insurance. Most people have both parts.

**Hospital insurance** (Part A) covers inpatient hospital care and certain follow-up care. You have already paid for it through part of your Social Security taxes while you were working.

**Medical insurance** (Part B) pays for physicians' services and some other services not covered by hospital insurance. Medical insurance is optional, and a premium is charged. Unless you decline medical insurance protection, the premium will be automatically deducted from your benefit.

If you applied for retirement or survivors benefits before your 65th birthday, you do not need to file a separate application for Medicare. You will receive information in the mail before you turn age 65 that will explain what you need to do. Your coverage starts automatically at age 65, even if you have not yet received your Medicare card in the mail.

## Help for low-income Medicare beneficiaries

If you get Medicare and have low income and few resources (things you own), your state may pay your Medicare premiums and, in some cases, other "out-of-pocket" Medicare expenses such as deductibles and coinsurance. Only your state can decide whether you qualify. To find out if you do, contact your state or local welfare office or Medicaid agency. You can get more information from the publication, *Medicare Savings Programs*. To get a copy, call

the Medicare toll-free number, **1-800-MEDICARE (1-800-633-4227)**, or visit **[www.medicare.gov](http://www.medicare.gov)** on the Internet and click on "Publications."

## **Can you get SSI?**

If you have limited income and resources, SSI may be able to help. SSI is a federal program that we manage. It is financed from general revenues, not from Social Security taxes.

SSI pays monthly checks to people who are age 65 or older, or who are blind or disabled. If you get SSI, you may get other benefits, too, such as Medicaid, food stamps and other social services.

We do not count some income and some resources when we decide whether you are eligible for SSI. Your house and your car, for example, usually are not counted as resources. Call us for more information or to apply for SSI.

## **A message about food stamps**

You can get a food stamp application and information at any Social Security office. Or call our toll-free number, **1-800-772-1213**. Ask for the publication, *Food Stamps And Other Nutrition Programs* (Publication No. 05-10100) or the publication, *Food Stamp Facts* (Publication No. 05-10101). Or you can print these publications from our website, **[www.socialsecurity.gov](http://www.socialsecurity.gov)**.

## **If you disagree with a decision we make**

If you have any questions about your payment amount or about information we send you, contact us.

If you disagree with a decision we make, you have the right to ask that it be reconsidered. Your request must be in writing and filed with any Social Security office within 60 days of the date you receive the letter you are questioning.

If you still are not satisfied, there are further steps you can take. They are explained in the publication, *The Appeals Process* (Publication No. 05-10041), available at [www.socialsecurity.gov](http://www.socialsecurity.gov) or by calling us.

You have the right to be represented by an attorney or other qualified person of your choice in any business with us. This does not mean you have to have an attorney or other representative, but we will be glad to work with one if you wish.

For your protection, there are special rules about who can represent you and what he or she can do. This is explained in the publication, *Your Right To Representation* (Publication No. 05-10075), available at [www.socialsecurity.gov](http://www.socialsecurity.gov) or by calling us.

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



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