



# Retirement Ready

## Fact Sheet For Workers Ages 49 -60

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



### Retirement is different for everyone

Retirement means different things to different people. Because retirement is not one-size-fits-all, we want to give you the information you need to plan for retirement and make educated decisions.

### Earnings are essential

Your earnings are used to determine your eligibility for Social Security benefits and your benefit amount. Use your *Social Security Statement* to check your earnings each year. If you see an error on your earnings record, report it to us. Learn how at [www.ssa.gov/pubs/EN-05-10081.pdf](http://www.ssa.gov/pubs/EN-05-10081.pdf).

### You will soon have choices to make

Once you turn 62, you will have important decisions to make about work and your Social Security retirement benefits. You can continue to work, apply for benefits, do both, or do neither. Each choice comes with important considerations for you and your family. Learn about them at [www.ssa.gov/benefits/retirement/matrix.html](http://www.ssa.gov/benefits/retirement/matrix.html).

Retirement Choices	Continue Working	Stop Working
Claim Benefits	Option A	Option B
Not Claim Benefits	Option C	Option D

### Benefits last as long as you live

Your benefits last as long as you live. Your full retirement age is 67. Taking benefits before your full retirement age (as early as age 62) lowers the amount you get each month for the rest of your life. Delaying benefits past your full retirement age (up to age 70) increases the monthly amount for the rest of your life. Our Life Expectancy Calculator can provide an estimate of how long you might live based on your age and sex: [www.ssa.gov/planners/lifeexpectancy.html](http://www.ssa.gov/planners/lifeexpectancy.html).

### Working while getting benefits

If you get retirement benefits but want to continue to work, you can. However, depending on how much you earn before full retirement age, we might temporarily withhold some or all of your benefit amount. When you reach full retirement age, we will recalculate your benefit amount to give you credit for the months we reduced or withheld benefits due to your excess earnings. Earnings after you reach your full retirement age won't reduce your benefits. Learn more at [www.ssa.gov/pubs/EN-05-10069.pdf](http://www.ssa.gov/pubs/EN-05-10069.pdf).

### Work may boost your benefits

Your earnings can increase your monthly benefit amount — even after you start receiving benefits. Each year, we check your earnings record. If your latest year of earnings turns out to be one of your highest 35 years, we will automatically recalculate your benefit amount and pay you any increase due. You can get additional estimates based on what you think your future earnings will be with the *my* Social Security Retirement Calculator at [myaccount.ssa.gov](http://myaccount.ssa.gov).

### Some benefits are taxed

You may have to pay federal income taxes on a portion of your Social Security benefits if your total income is above a certain amount. Learn more at [www.ssa.gov/planners/taxes.html](http://www.ssa.gov/planners/taxes.html).

### Saving for retirement

Social Security is not meant to be your only source of income in retirement. You will likely need other savings, investments, pensions, or retirement accounts to live comfortably in retirement. On average, Social Security will replace about 40% of your annual pre-retirement earnings, although this can vary based on your circumstances. There are many ways to save for retirement. Here are some things to consider:

- Contribute to retirement accounts such as 401(k)s and Individual Retirement Accounts (IRAs).
- Take advantage of “catch-up” rules that let workers age 50 and older contribute an extra amount annually to a 401(k) and an IRA.
- Keep in mind that if you withdraw from or cash out your 401(k) or IRA before age 59½, you will usually pay an early withdrawal penalty.

Learn more about how to save at [www.savingmatters.dol.gov/employees.htm#7](https://www.savingmatters.dol.gov/employees.htm#7).

## Social Security will be there when you retire

The Social Security taxes you pay go into the Social Security Trust Funds that are used to pay benefits to current beneficiaries. The Social Security Board of Trustees estimates that, based on current law, the Trust Funds will be able to pay benefits in full and on time until 2034. In 2034, Social Security will still be able to pay about \$810 for every \$1,000 in benefits scheduled. Learn more at [www.ssa.gov/people/materials/pdfs/EN-05-10229.pdf](https://www.ssa.gov/people/materials/pdfs/EN-05-10229.pdf).

## Unable to work due to a mental or physical disability

A disability can occur at any age. If you are unable to work at a certain earnings level due to a mental or physical disability, and if you meet certain eligibility requirements, you may be able to receive Social Security disability benefits. Learn more about disability benefits at [www.ssa.gov/disability](https://www.ssa.gov/disability). The Supplemental Security Income (SSI) program pays benefits to adults and children with disabilities who have limited income and resources. Learn more about SSI at [ssa.gov/benefits/ssi/](https://ssa.gov/benefits/ssi/).

## Benefits for family members

Your family, including your spouse, former spouses, and dependent children, may qualify for benefits on your record. Find out more about benefits for your family at [www.ssa.gov/benefits/retirement/planner/applying7.html](https://www.ssa.gov/benefits/retirement/planner/applying7.html).

Your family may also be eligible for survivors benefits. If you are the higher earning spouse, your decision on when to claim benefits can affect the benefits of your surviving spouse. Find out more about survivors benefits at [www.ssa.gov/planners/survivors](https://www.ssa.gov/planners/survivors).

## Benefits as a spouse

If you are married, divorced, or widowed, you may be eligible for higher benefits on your spouse’s record. When you apply for either retirement or spouse’s benefits, you may be required to apply for both benefits at the same time. Learn more at [www.ssa.gov/pubs/EN-05-10035.pdf](https://www.ssa.gov/pubs/EN-05-10035.pdf).

## We are here for you

Social Security covers about 96% of American workers. To learn more about Social Security, visit [www.ssa.gov](https://www.ssa.gov).