



NATIONWIDE RETIREMENT INSTITUTE®

How working could affect your Social Security benefits

Today's retirees are living longer, healthier lives and often delaying retirement. If you're considering working into your 60s, you should understand the impact working may have on your Social Security benefits.

The earnings test

If you file for Social Security before full retirement age (FRA) and continue to work, there are limits to how much you can earn before the Social Security Administration (SSA) begins withholding some of your Social Security income.

Birth year	1943 - 54	1955	1956	1957	1958	1959	1960+
FRA	66	66 +2 mos	66 +4 mos	66 +6 mos	66 +8 mos	66 +10 mos	67

Withholdings

When you file for Social Security	What is withheld (annually)
Before FRA	\$1 is withheld for every \$2 earned above \$17,640
The year you reach FRA	\$1 is withheld for every \$3 earned above \$46,920
At or after you reach FRA	There are no withholdings

Income considered for these withholdings*	Income <i>not</i> considered for these withholdings
<ul style="list-style-type: none"> • If you work for someone else, only your wages are considered • If you're self-employed, only your net earnings are considered 	<ul style="list-style-type: none"> • Government benefits • Pensions • Investment earnings • Interest • Annuities • Capital gains

*Employee contributions to a pension or retirement plan are considered if included in gross wages.

Let's look at a quick example

Jim files for Social Security at 64 years old, has a FRA of 66 and earns \$50,000 per year.



$$\begin{array}{r} \$50,000 \text{ Jim's earnings} \\ - \$17,640 \text{ Earnings test limit for filing before FRA} \\ \hline \$32,360 \div 2 = \$16,180 \\ \text{total withheld from Jim's Social Security} \end{array}$$

This example is for illustrative purposes and individual results could vary.

Additional considerations

- Withholdings are not necessarily lost — your benefit is recalculated at FRA and continues through your life expectancy
- Withholdings are based on what you tell the SSA you plan to earn in a given year
- Withholdings are not prorated throughout the year — instead, full monthly benefit checks are withheld until the entire withholding amount is accounted for



Clients

Talk to your financial advisor to learn more about how working can affect your Social Security benefits.



Financial professionals

For more resources, including a tool with the earnings test calculation, contact your wholesaler or the Retirement Institute Income Planning Team at 1-877-245-0763.



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