



Ask Bob: How Do I Boost My Social Security Benefit?

If you continue to work, your low earning years are replaced with your high earning years. And higher earnings increase your Social Security benefit amount.

ROBERT POWELL, CFP | November 16, 2021

Question

I would love to boost my Social Security and would be very interested in learning more. I retired at full retirement age and am 70 now, I was working in part-time jobs until a recent cancer diagnosis.

Answer

The first big milestone in boosting Social Security benefits is waiting until full retirement age (FRA) to collect, says Jim Miller, CFP, president of [Woodward Advisors](#). If you can wait beyond that, it gets even better. “Each year from FRA until age 70 gives you an 8% credit to your

benefit. Once you reach age 70 there is no advantage to waiting to collect, so go ahead and start then,” he says.

But what else can you do to boost your benefit once you’ve reached age 70? “It’s possible that earning income may help, but whether or not your continued income has a positive effect on the amount of your monthly Social Security benefit depends on how much money you made in the past and how much you’re making now,” says Miller.

The reason - Social Security benefits are based on your [35 highest-earning years](#). “The benefit formula is rather complex, but basically it’s determined by your 35 highest-earning years, adjusted for inflation—up to the maximum taxable amount each year,” says Miller.

This ends up putting a cap on the maximum monthly benefit one can receive and the monthly max at FRA in 2021 is a bit over \$3,000. “Then, of course, if you wait to collect beyond your FRA, you earn those credits I mentioned previously, up to age 70, which will increase your monthly payment,” he says.

So, will your monthly benefit go up if you continue to have earned income? “Possibly, if your current salary is higher than one of your 35 highest-earning years to date,” Miller notes.

He gave this example: Maybe you earned less when you were young in the early part of your career and earnings in one or more of those years were lower than the maximum annual taxable income. If what you're earning now is higher than what you earned in one of your past 35 highest-earning years that have been indexed for wage inflation, your current higher income will replace one of the lower-earning years.

“Since Social Security benefits are recalculated annually,” says Miller, “this added income could result in a higher monthly payment. However, since there are 35 years of income included in the formula to determine income over your remaining life expectancy from Social Security, you may not see much of a difference in your monthly payment.”

Got questions? Get answers!

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