

Top Ten Tips on Social Security and Medicare

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1. Your Age Matters

The amount of your monthly Social Security benefit is determined by your average lifetime earnings and the age when you first claim benefits. Filing for Social Security before your full retirement age (FRA) will reduce your benefits for the rest of your life.

2. Work Can Affect Your Benefits

If you claim Social Security before your FRA, which ranges from 66 to 67, and you continue to work, your earnings could reduce or temporarily eliminate your benefits if you earn more than \$19,560 in 2022.

3. Earnings restrictions disappear at full retirement age

Once you reach FRA, you can earn as much as you like without reducing your Social Security benefits. Any benefits lost to excess earnings prior to FRA will be restored in the form of larger monthly benefits going forward.

4. Current Earnings Can Increase Future Benefits

Social Security benefits are based on your highest 35 years of lifetime earnings. Each year you continue to work, regardless of your age and whether you are already receiving Social Security, could increase your future benefits.

5. No Work History? No Problem for Some Spouses

Even if you haven't worked long enough to be eligible for Social Security benefits, you may be eligible for spousal benefits on your mate's earnings record. A spousal benefit is worth up to 50% of the worker's FRA benefit amount.

6. Exes Have Rights Too

If you were married at least 10 years, are divorced and currently single, you may be able to claim spousal benefits on your ex's earnings record if they are larger than your own retirement benefit.

7. Two Different Benefits: Retirement and Survivor

If you are entitled to retirement benefits and you are a surviving spouse or surviving ex-spouse, you may be able to claim one type of benefit first and switch to the other later.

8. Social Security Benefits are Taxable

Up to 85% of your benefits can be taxed at your ordinary income tax rate.

9. Sign up for Medicare at 65

If you miss your initial enrollment period, you may have to pay delayed enrollment penalties for the rest of your life.

10. Medicare is Not Free

You'll pay a monthly premium for Medicare and may be subject to high-income surcharges.

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