

## Social Security Full Retirement Age (FRA)

Full retirement age (FRA) is the time when a person can file and receive full benefits (the PIA). For a long time, full retirement age was 65. However, as life expectancies have increased, the SSA has gradually increased the full retirement age based on birth year, with everyone born in 1960 or later at the full retirement age of 67.

Birth Year	FRA
1943-1954	66 years
1955	66 years and 2 months
1956	66 years and 4 months
1957	66 years and 6 months
1958	66 years and 8 months
1959	66 years and 10 months
1960 & after	67 years

If born on January 1, use the prior birth year.

The age 62 reduction for those born in 1960 or later is 30%.

## Social Security Cost-of-Living Adjustments (COLAs)

Year	% Increase	Year	% Increase
2025	2.5%	2020	1.6%
2024	3.2%	2019	2.8%
2023	8.7%	2018	2.0%
2022	5.9%	2017	0.3%
2021	1.3%	2016	0.0%

All information in this guide is from the Social Security Administration website, [www.ssa.gov](http://www.ssa.gov), as of November 2024.

## Social Security Benefits

For the maximum monthly benefit (at FRA of 66), see <a href="https://www.ssa.gov/oact/COLA/examplemax.html">https://www.ssa.gov/oact/COLA/examplemax.html</a>	\$3,795
Earnings limits and benefit reduction	<p>Before FRA – \$23,400 per year (for every \$2 over the limit, \$1 is withheld from benefits)</p> <p>In FRA year (up until the month of FRA) – \$62,160 per year (for every \$3 over the limit, \$1 is withheld from benefits)</p> <p>After FRA – no reduction</p>



## Taxation of Benefits

Add half the benefit amount to total income (AGI + tax-exempt interest).

If the total is greater than:	Amount that is taxable
\$32,000 (joint) or \$25,000 (single)	up to 50% of the benefits
\$44,000 (joint) or \$34,000 (single)	up to 85% of the benefits

This applies to federal taxes. Some states may also tax benefits to varying degrees. We recommend that taxpayers consult with their professional tax advisors.

## Primary Insurance Amount (PIA) Calculation

For the primary insurance amount (PIA) numbers, see <https://www.ssa.gov/oact/COLA/piaformula.html>. AIME is calculated by taking the 35 years of highest earnings and averaging them, then indexing to a current national average salary.

PIA is the full retirement benefit due to a covered individual who files at full retirement age.

Average Indexed Monthly Earnings (AIME)	PIA (expressed as a % of AIME)
\$0 – \$1,226	90%
\$1,226 – \$7,391	\$1,103.40 + 32% of excess over \$1,226
\$7,391+	\$3,076.20* + 15% of excess over \$7,391

\*Calculation is rounded to the next lower multiple of \$0.10.

## Social Security FICA Payroll Taxes

Wage base	\$176,100
Social Security tax rate	6.2% (employee) 12.4% (self-employed)
Medicare tax rate	1.45% (employee) 2.9% (self-employed)
Additional 0.9% payroll tax rate	Single or HOH: \$200,000 Married filing jointly: \$250,000 Married filing separately: \$125,000
Earnings required for one credit	\$1,810
Earnings required for the annual maximum of four credits	\$7,240

## Filing Option Comparison

	Spousal Benefit	Divorced Spouse Benefit	Survivor Benefit
<b>Length of marriage requirement</b>	One continuous year before filing (and still married)	10 years (and claimant is unmarried at the time of filing)	At least nine months before the worker dies (with an exception for accidental deaths)
<b>Maximum benefit</b>	50% of the spouse's PIA	50% of ex-spouse's PIA	Deceased spouse's benefit at death*
<b>Worker filing requirements</b>	Worker must file before spouse can file	Worker must be eligible to file (actual filing is not necessary)	Worker need not have filed yet
<b>Counts toward family maximum</b>	Yes	No	Yes

\* If the deceased died before claiming, the survivor benefit is the greater of the deceased's PIA or the amount the deceased would have been entitled to if they filed on the date of

## Benefits by Filing Age as a Percentage of PIA (FRA of 66)

Filing Age	Worker (Earned Benefit)	Spouse (Spousal Benefit)	Filing Age	Worker (Earned Benefit)	Spouse (Spousal Benefit)
62	75%	70%	67	108%	100%
63	80%	75%	68	116%	100%
64	86.66%	83.33%	69	124%	100%
65	93.33%	91.67%	70	132%	100%
66	100% (PIA)	100% (50% of worker's PIA)			

## The Impact of Waiting

If you can afford to wait, you can secure the highest benefit by filing after your full retirement age, with the maximum benefit amount at age 70. The chart shows the clear progression for a person with an FRA of 66, from starting benefits at 62 to waiting until 70. The difference is substantial.

