

Information from Credit Union of New Jersey and CFS* to help keep your financial life in balance

Consumer Sense

Social Security Benefits

If you are approaching retirement or already retired, you probably have some questions about whether or not you are eligible for Social Security benefits. Especially in the aftermath of significant financial losses, it is important to take a close look at the income benefits Social Security may provide.

Who Benefits from Social Security?

The Social Security program affects virtually every American, and is often the cornerstone of most people's retirement plans. According to the Social Security Administration, today about 155 million people work and pay Social Security taxes and about 54 million people receive monthly Social Security benefits.

Social Security Basics

The amount of Social Security benefits paid in retirement is generally based on the average of the highest 35 years of wages earned and the recipient's age at retirement.

**For Specific Tax Advice Consult a Qualified Tax Professional*

Source: <http://www.ssa.gov/>

Have You Read...

Social Security: The Inside Story, 2011 Edition: An Expert Explains Your Rights and Benefits by Andy Landis. Learn how Social Security works for you and your family. Get the facts about Social Security's future sustainability. This is the proven resource for taxpayers, retirees, financial advisors and HR professionals—the essential guide for everyone with a stake in Social Security.

How Do Benefits Accrue?

As you earn income and pay taxes, you earn "credits." For income earned in 2011, you accumulate one credit for each \$1,120 in earnings—up to a maximum of four credits per year. (The amount of earned income required to earn one credit usually increases every year). Most people need 40 credits (approximately 10 years of work) to qualify for benefits.

Retire Sooner or Later?

You generally can start receiving Social Security benefits as early as age 62. However, if you start your benefits early, your benefits may be reduced. Choosing when to retire and begin drawing benefits may be of the most important decisions you will make in your lifetime.

Full Retirement Age

According to the Social Security Administration (SSA), if you were born from 1943 to 1960, the age at which full retirement benefits are payable increases gradually to age

67. If you choose to retire when you reach full retirement age, you will receive your full retirement benefits. But if you retire before reaching full retirement age, you will receive reduced benefits for the rest of your life.

Reaching out to the Financial Professionals at your Credit Union

As you prepare to review where you stand financially it may be helpful to consult with a professional who can aid in making those informed decisions. Talk to your financial professional about your unique financial situation. The investment representative at your credit union can aid in helping you make informed decisions about your investment portfolio. Planning carefully, investing wisely and spending thoughtfully will help increase the likelihood that you get back on track to a financially secure retirement.

