



ElderCare Q&A

Estimate Your Social Security

Q: Can I figure out how much I will get when I retire on Social Security?

A: Yes. The Social Security Administration annually mails out an estimate of what you and your family will earn in Social Security retirement benefits for workers over the age of 25. But now there's a new, easy way to estimate your retirement earnings anytime---using the internet.

An online calculator called the "Retirement Estimator" allows you to create a fairly accurate estimate of your benefits based on your expected earnings over the next few years. You can only use the estimator for your own personal information, not to look up someone else's benefit. To get into the program, go to www.socialsecurity.gov/estimator. Once on the site, enter your full name, including middle initial, your Social Security number (without dashes), your date of birth, your place of birth, and your Mother's maiden name.

The Retirement Estimator lets you produce a quick retirement "Estimate", and create additional retirement scenarios. The Estimator will calculate your benefit based on: your actual earnings history as maintained by the Social Security Administration; the additional information you provide about future earnings; and the age at which you expect to stop working.

First you enter your last year's earnings (wages and/or net self-employment income) if covered by Social Security. You will then see, based on your current earnings rate--if you take early retirement and stop working at age 62---what your monthly benefit would look like. You are also shown what you would get at your full retirement age---which is no longer 65 years of age for everyone. For example, if you were born between 1943 and 1954, your full retirement age is 66. You can start receiving benefits as early as age 62 or as late as age 70. If you wait until age 70, your monthly retirement can be almost twice the rate as early retirement at age 62. If you start benefits early, your benefits are reduced a fraction of a percent for each month before your full retirement age. Baby-boomers born in 1947, for example, will get 75% of their benefit if they retire early at age 62, instead of 100% at full retirement at age 66. If they retire at 65-a year early--- they will get roughly 93% of their full benefit.

Under current law, if you have average earnings, your Social Security retirement benefits will replace about 40% of your pre-retirement earnings. But the percentage is lower for people in the upper income brackets and higher for people with low incomes.

The Estimator allows you to create additional retirement scenarios by changing the age you expect to stop work, and/or adjusting your anticipated future earnings. Remember that Social Security was not meant to be your only source of retirement income, so don't be surprised when the monthly benefit level seems low. That's because it is.