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## Understanding Your Social Security Statement

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The Social Security Administration sends earnings reports by mailing paper statements to workers every five years beginning at age 25. The reports are also available online. These reports recap historic earnings and contain an estimate of potential benefits. When you receive your report, spend a few minutes reviewing the statement. Here are some suggestions on how to do this:

- **Review your earnings history.** Towards the back of the report is a recap of your earnings record. This should accurately reflect reported earnings on your tax return. This number is a summary of all your earnings subject to Social Security as reported by your employer on your W-2 forms. But if you are self-employed or have many employers, you must make sure that the income properly reflects what you earned.

If you are an employee, make sure the totals match your W-2s. If you are Self-employed: Pull out your tax return and confirm totals match.

- **Review your potential retirement benefits.** The Social Security statement will provide you with an estimate of your benefit amount using current dollars and current work history. The value of your benefit will show three benefit amounts. One for the minimum retirement age of 62, one for the maximum amount if you start your benefits at age 70, and one for your full retirement age between the ages of 65 and 67. Consider these monthly benefit amounts in terms of your retirement plan to help create a realistic picture of what you will have available to you when you retire.
- **Note other benefits.** Remember, Social Security is not just about your retirement benefits. There are also estimates presented for disability and surviving family benefits. Please review these estimates to understand the potential benefits these programs may provide.
- **Remember current benefits are just estimates.** The benefits noted on this statement are estimates. Actual benefit amounts rise with inflation, change with tax laws, and adjust with your future earnings. Your benefit statement will show you the assumptions used in creating your estimated amounts. Review the assumptions used by the Social Security Administration. Pay special attention to the future earnings used by them to create the benefit amounts. If you do not think they are accurate, you may need to create revised estimates with more accurate assumptions.

If you find any errors in the statement correct them immediately. The last page of the statement provides a means for doing this.