

Tuesday, August 18, 2020

Lower Social Security Benefits by Working fewer than 35 years

To qualify for Social Security benefits, you typically have to have worked and paid Social Security taxes for at least 10 years. However, if you've worked fewer than 35 years by the time you begin claiming benefits, you could receive smaller checks. The Social Security Administration calculates your basic benefit amount -- or the amount you'll receive by claiming at your full retirement age -- by taking an average of your income over the 35 highest-earning years of your career and then adjusting it for inflation. If you haven't worked a full 35 years, you'll have zeros added to your equation to account for the years you weren't working. That could bring down your earnings average, which in turn will reduce your benefit amount.

(Source: Fool)

<https://www.fool.com/retirement/2020/08/02/3-ways-you-can-lose-your-social-security-benefits.aspx>