

SOCIAL SECURITY

# Maximize your *Social Security* benefits

A plain-language guide to the five decisions that shape your monthly check — qualifying, your earnings record, when to claim, spousal and survivor benefits, and Medicare costs.



## INTRODUCTION

# A foundation, not the whole plan

To many American workers, Social Security is a guarantee of income in their post-working years – something to help them live comfortably for the rest of their lives. The program supports nearly 71 million Americans each month, including retirees, disabled workers, survivors, and dependents, with a 2.8% cost-of-living adjustment (COLA) taking effect this year.<sup>1</sup>

Despite how many people depend on it, many Americans don't realize that for an average earner, Social Security is only designed to replace roughly 37% to 43% of past earnings.<sup>3</sup> Depending on your income level and when you claim, that replacement rate ranges from as much as 79% for very low earners to about 28% for maximum earners.<sup>4</sup> Many financial professionals suggest planning for 70% to 80% of your pre-retirement income, so understanding how to bridge that gap with investments and personal savings is an important part of a modern retirement strategy.

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| <b>~71M</b><br>Americans supported by Social Security each month <sup>1</sup> | <b>2.8%</b><br>Cost-of-living adjustment taking effect in 2026 <sup>1</sup> | <b>\$2,071</b><br>Estimated average monthly benefit for a retired worker <sup>2</sup> | <b>37–43%</b><br>Share of past earnings replaced for an average earner <sup>3</sup> |
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## FIVE FACTORS FOR MAXIMIZING YOUR BENEFITS

To get the most out of Social Security, it helps to think of it not just as a government program, but as a flexible asset in your retirement plan. The difference between a standard benefit and a maximized one often comes down to how well you coordinate five areas of your financial life.

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| <b>01</b><br><b>Qualifications</b><br>Meeting the credit requirements. | <b>02</b><br><b>Earnings history</b><br>Making the most of your 35 highest-earning years. | <b>03</b><br><b>Timing</b><br>Understanding the shift in Full Retirement Age. | <b>04</b><br><b>Marital status</b><br>Using spousal and survivor benefits. | <b>05</b><br><b>Medical costs</b><br>Planning for the 2026 rise in Medicare premiums. |
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<sup>1</sup> SSA. "Social Security Announces 2.8 Percent Benefit Increase for 2026." October 24, 2025. [ssa.gov/news/en/press/releases/2025-10-24.html](https://ssa.gov/news/en/press/releases/2025-10-24.html)

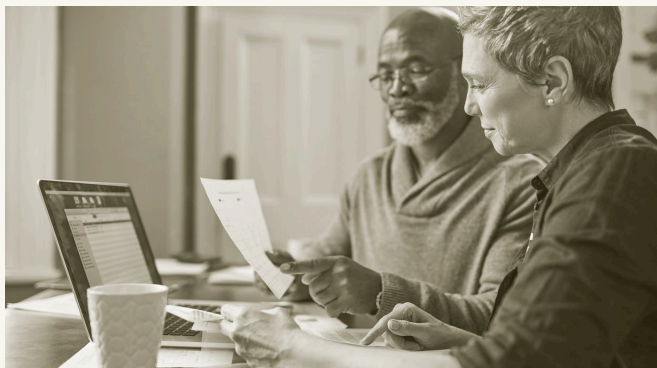
<sup>2</sup> SSA. "What is the average monthly benefit for a retired worker?" January 2, 2026. [ssa.gov/faqs/en/questions/KA-01903.html](https://ssa.gov/faqs/en/questions/KA-01903.html)

<sup>3,4</sup> SSA. "Understanding the Benefits 2026." Accessed January 27, 2026. [ssa.gov/pubs/EN-05-10024.pdf](https://ssa.gov/pubs/EN-05-10024.pdf)

## 01 · QUALIFICATIONS

# Make sure you meet the qualifications

Social Security is often seen as a universal right, but it's actually an earned benefit that requires a specific history of contributions. It's worth confirming that you've crossed the thresholds you need to qualify.



## The 40-credit requirement

Qualifying for retirement benefits isn't based on your age alone; you must earn a minimum of 40 Social Security credits. These credits are the building blocks of your eligibility, and you earn them by working and paying Social Security taxes on your wages. You can earn a maximum of four credits per year, and the amount you need to earn for one credit changes annually based on national wage trends.

- **The 2026 threshold:** You receive one credit for every \$1,890 of earnings.
- **Annual maximum:** To earn your full four credits for the year, you must earn at least \$7,560.

## Why tracking your credits matters now

It's easy to think of Social Security as something that just "happens" once you reach a certain age, but it's actually a benefit you've spent your life earning. If you've had a few gaps in your career or you're thinking about retiring a bit early, it's worth taking a quick look at your credit count to make sure you aren't falling short of the 40-credit mark.

These credits are more than a box to check for your own retirement — they're a safety net for the people you love. If you were to pass away, those same credits are what allow your family to receive survivor benefits. It's also important to know that once you reach 40 credits, earning "extra" credits won't make your monthly check any bigger. From that point,

your benefit amount is driven by how much you earned over your career, not how many credits you've stacked up.

If you're doing part-time work or side gigs as you wind down your career, keep in mind that the "cost" of a credit goes up a little every year as average wages rise. In 2026, you'll need to earn \$1,890 for one credit. Reviewing your record can help you feel confident you've done what's needed to protect your future and your family.

### HOW WE CAN HELP

Getting Social Security right isn't just about filing paperwork; it's about making sure decades of hard work translate into the security you've earned. It's easy to miss the small details that make a big difference in your monthly check, so we focus on your specific goals:

- **Review your Social Security statement:** We help you verify that every year of your career is accurately recorded, so missing data or errors don't shrink your future benefits.
- **Verify survivor coverage:** If you're the primary earner, we can help confirm your record has the credits needed to provide a lasting safety net for your spouse and children.
- **Plan income from part-time work:** If you're easing into retirement with a part-time role, we can help you find the earnings "sweet spot" so you stay active without triggering unexpected benefit withholding or higher Medicare costs.

## 02 · EARNINGS HISTORY

## Optimize your 35-year earnings average

Many people treat retirement as a fixed date, but the way Social Security is calculated can create a real opportunity to increase your lifetime income. Looking closely at your earnings history can show whether a few more years of work would make a meaningful difference.

### How the “highest 35” formula works

One part of the Social Security calculation that often surprises people is the “highest 35” formula. Rather than looking at your entire career, the Social Security Administration uses your 35 highest-earning years — adjusted for inflation — to determine your base benefit.

That creates an opportunity if you’re in your peak earning years right now. By continuing to work, you can effectively “knock out” lower-earning years from your 20s or 30s and replace them with your current salary, which can give your future monthly check a meaningful boost.

If you have fewer than 35 years of work on your record, the system automatically fills the empty slots with \$0. Those zeros can significantly drag down your average, so even a few extra years of part-time work late in your career can make a real difference.

This isn’t only about your starting benefit. Because every future cost-of-living adjustment is calculated as a percentage of your base check, a higher average now means every inflation raise you receive for the rest of your life will be larger in actual dollars.

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**Social Security is a calculation based on your highest 35 years of work — which means later, higher-earning years can replace earlier, lower ones.**

### The case for working a little longer

The math of Social Security matters, but the real-world advantages of extended employment often show up in the rest of your finances too. Beyond boosting your future benefit, continuing to work can strengthen your broader financial foundation.

- **Delaying withdrawals:** Every year you continue to earn a salary is a year you can delay dipping into your IRA or 401(k). That gives your invested assets more time to potentially grow and preserves principal for later in retirement.
- **Strengthening retirement for women:** This can be especially valuable for women, who statistically live longer and may have taken time away from work for caregiving. Roughly 44% of women aged 65 and older rely on Social Security for at least half of their income.<sup>5</sup> Extending a career can help close that gap and provide a steadier foundation for a longer life expectancy.

There’s a trade-off, of course: more years of work means fewer years of full retirement. The right answer depends on your health, your job, and what you want your time to look like.

#### HOW WE CAN HELP

We’ll walk through your earnings history with you to spot any “zero” years or low-earning periods that may be pulling down your average. Using tools like the Social Security Retirement Estimator, we can show how much your future check could change by replacing those years with your current salary.

We’ll also look at the bigger picture — how staying in the workforce a bit longer could let you keep making 401(k) catch-up contributions and keep employer health insurance in place — so every year you’ve worked, and every year you plan to work, supports the life you want to live.

<sup>5</sup> SSA. “Social Security Fact Sheet.” Accessed January 27, 2026.  
ssa.gov/news/press/factsheets/basicfact-alt.pdf

## 03 · TIMING

# Strategic timing and the new Full Retirement Age

Deciding when to claim Social Security is one of the most consequential financial choices you'll make. Waiting usually means a higher monthly payment, but the "right" age is personal — it depends on your health, your lifestyle, and the rest of your finances.

## Your monthly benefit by claiming age

BORN 1960 OR LATER · FULL RETIREMENT AGE 67

AGE 62 70% 30% permanent reduction

AGE 67 100% Full benefit

AGE 70 124% +8% per year of delay past 67

Percent of your full-retirement-age benefit (primary insurance amount), before cost-of-living adjustments.

## Age 67 is your new baseline

For anyone planning in 2026, Full Retirement Age (FRA) is now 67 for everyone born in 1960 or later.

- **The 100% benchmark:** Reaching 67 lets you receive 100% of your primary insurance amount — the full benefit your work record has earned.
- **The cost of filing early:** You can still claim as early as 62, but doing so permanently reduces your monthly benefit by 30%.
- **Longevity:** In 1940, a 65-year-old could expect to live roughly 12 more years; today, that figure is over 20 years.<sup>6</sup> Claiming early means accepting a smaller check for what may be a long retirement, which is worth weighing for your 80s and 90s.

## The value of waiting: 8% a year

For every year you delay claiming past 67, your benefit increases by 8% in delayed retirement credits.

- **The age-70 cap:** These increases continue until 70, when your benefit reaches its maximum — roughly 24% higher than at 67.
- **Compounding with inflation:** Because each COLA is a percentage of your current benefit, a 2.8% COLA adds more actual dollars to a larger age-70 benefit than to a reduced age-62 benefit.

## Changing your mind after claiming

If you've already started benefits and regret the timing, there are a couple of ways to course-correct:

- **The 12-month "reset":** Within 12 months of applying, you can withdraw your application (once in your lifetime), repay the benefits you received, and restart the clock to earn a higher future amount.
- **Voluntary suspension at FRA:** If you've reached 67 but aren't yet 70, you can suspend your payments and begin earning the 8% annual credit until 70.

### HOW WE CAN HELP

We'll look past the calendar dates and work through the "break-even" math with you — how many years it takes for larger, delayed checks to catch up to and pass the total you'd receive by starting early.

We'll also keep an eye on details like Medicare at 65: even if you wait until 70 to claim Social Security, missing your initial Medicare enrollment window can mean lifelong penalties.

<sup>6</sup> Investopedia. "'Silver Tsunami': Challenges and Opportunities of an Aging Population." March 2, 2025. [investopedia.com/silver-tsunami-8418065](https://www.investopedia.com/silver-tsunami-8418065)

## 04 · MARITAL STATUS

# Make the most of spousal and survivor benefits

Social Security lets families coordinate benefits, often allowing one partner to draw on the higher-earning record of the other. The rules for married, divorced, and widowed people can be complex — here's how they work.

### Coordinating as a married couple

You're automatically entitled to the higher of two amounts: your own earned benefit, or a spousal benefit based on your partner's work record.

- **The 50% rule:** A spousal benefit can be worth up to 50% of the higher-earning spouse's Full Retirement Age amount.
- **Filing order:** To qualify for spousal benefits, the higher-earning spouse generally must already be collecting their own retirement or disability benefits.
- **The cost of filing early:** Claiming a spousal benefit before your own FRA (67) permanently reduces it. At 62, for example, you'd receive 32.5% of your spouse's FRA benefit instead of 50%.
- **Deemed filing:** Under current rules, applying for one benefit means you're "deemed" to apply for both your own and the spousal benefit, and the SSA pays you the higher of the two.

### Options for divorced individuals

Many retirees don't realize they may be eligible for benefits based on a former spouse's record. This benefit does not reduce what your ex-spouse or their current family receives.

- **Core requirements:** You may qualify if your marriage lasted at least 10 years, you're currently unmarried, and you're at least 62.
- **Independence from your ex-spouse:** If you've been divorced for at least two years, you can often claim on your ex-spouse's record even if they haven't filed yet.
- **Privacy:** The SSA won't notify your former spouse that you've filed on their record, and a divorce decree can't block you from receiving it.

### Survivor benefits

Survivor benefits work differently from retirement benefits, offering a safety net for those who have lost a partner.

- **The \$255 payment:** A surviving spouse who was living with their partner receives a one-time lump-sum death payment of \$255.
- **Full monthly income:** If you wait until your full retirement age for survivors to claim, you can receive 100% of your late spouse's benefit.
- **Flexible claiming ages:** Survivors can claim as early as 60 (or 50 with a disability) at a reduced rate.
- **Switching strategies:** You can often start with a survivor benefit as early as 60, let your own retirement benefit grow until 70, and then switch to the higher amount.

#### HOW WE CAN HELP

We'll help you look at your benefits as a shared resource. A side-by-side look at both of your records shows which filing order brings the most into your household over time. If you were married for at least ten years and later divorced, we'll check whether your ex-spouse's record could offer a higher benefit than your own.

We'll also help you plan for the "what ifs," so that if the higher earner passes away first, the surviving spouse is left with the largest possible monthly check.

## 05 • MEDICAL COSTS

## Plan for healthcare costs in retirement

Healthcare is one of the biggest variables in any retirement plan, and Medicare is changing — premiums are rising, while new caps limit some out-of-pocket costs. Here's what's new for 2026 and how it affects your Social Security check.

### The rising cost of Medicare coverage

For many retirees, Medicare premiums are deducted directly from Social Security, so rising health costs can reduce your "take-home" retirement pay.

- **Standard Part B premium:** For the first time, the standard monthly premium for Medicare Part B (outpatient services) is over \$200 — \$202.90 in 2026, nearly 10% higher than 2025.<sup>7</sup>
- **Higher deductibles:** The annual Part B deductible is now \$283, and the Part A (hospital) deductible is \$1,736 per benefit period.<sup>8</sup>
- **The effect on your COLA:** Early reports suggest rising Medicare premiums may absorb more than 25% of the 2026 cost-of-living increase for the average retiree.

### The \$2,100 prescription drug cap

Recent legislation adds an important safeguard for people with high prescription costs through the Inflation Reduction Act.

- **Annual out-of-pocket limit:** In 2026, your total out-of-pocket spending on covered Part D drugs is capped at \$2,100. Once you reach it, you pay \$0 for covered medications for the rest of the year.
- **Medicare Prescription Payment Plan:** You can spread out-of-pocket drug costs across the year in monthly installments instead of paying a large sum at the pharmacy.

### Ways to manage out-of-pocket costs

It's natural to feel squeezed when premiums and deductibles rise. One option is supplemental coverage, like Medigap or Medicare Advantage, which can help fill the gaps in traditional Medicare. These plans have their own premiums, but they often trade unpredictable out-of-pocket spikes for a steadier monthly cost.

If money is tight, it's worth checking whether you qualify for Medicaid or a Medicare Savings Program. These state-run programs are designed for people with more modest incomes and assets, and they can sometimes cover your Part B premiums or care that Medicare doesn't.

Finally, talk openly with your care team. Your doctors know how expensive care has become, and they may be able to suggest generic medications or point you to services fully covered by Medicare that you didn't know were available.

#### HOW WE CAN HELP

We'll sit down together and look at your "net" Social Security — what actually reaches your bank account — after the \$202.90 Part B premium and any income-related surcharges that may apply.

It's also a good time to review your Part D plan, making sure your medications are covered so your spending counts toward the \$2,100 cap, and to check that you have enough savings set aside for this year's higher deductibles.

<sup>7,8</sup> CMS. "2026 Medicare Parts A & B Premiums and Deductibles." November 14, 2025. [cms.gov/newsroom/fact-sheets/2026-medicare-parts-b-premiums-deductibles](https://www.cms.gov/newsroom/fact-sheets/2026-medicare-parts-b-premiums-deductibles)



## A foundation for your future

Deciding when to claim Social Security can feel like solving a puzzle while the pieces are still moving. It's natural to feel some unease as you shift from a lifetime of earning a paycheck to relying on what you've built. It's tempting to treat the system as something to "game" or "beat," but that mindset often leads to unnecessary stress and missed opportunities.

This year brings real changes, from Full Retirement Age settling at 67 to the standard Part B premium reaching \$202.90. When it's coordinated with your other assets, like a 401(k) or IRA, Social Security can be a sturdy foundation that accounts for both taxes and healthcare.

Getting the most out of your benefits is about more than a monthly check — it's about the confidence to enjoy your retirement knowing your income is built to last. We're here to help turn complex rules into a clear plan that reflects your hard work and the life you want to lead.

### YOUR NEXT STEP

## See where you stand

Answer a few questions about your timeline, savings, and goals — it takes about three minutes. No pressure, and you decide if and when to talk.

[retireright.com/retirement-priorities-assessment](https://retireright.com/retirement-priorities-assessment)

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