

Social Security Infosheet – 2025

Have questions? Financial.Planning@lpl.com

CLAIMING DECISIONS

Full Retirement Age (FRA) - based on year of birth

Birth Year	FRA	Birth Year	FRA
1943 - 54	66	1958	66 + 8 mo
1955	66 + 2 mo	1959	66 + 10 mo
1956	66 + 4 mo	1960 +	67
1957	66 + 6 mo	<i>Jan. 1 birthdays refer to prior year</i>	

Age-Based Reductions & Increases (assuming age 67 FRA)

Filing Age	Individual Benefit (% of Benefit)	Spousal Benefit (% of Benefit)	Survivor Benefit (% of Benefit)
60	NOT ELIGIBLE		71.50%
61	NOT ELIGIBLE		75.58%
62	70%	65%	79.65%
63	75%	70%	83.72%
64	80%	75%	87.79%
65	86.66%	83.33%	91.86%
66	93.33%	91.66%	95.93%
67 - FRA	100%	100% No increases beyond spouse's FRA	
68	108%		
69	116%		
70	124%		

Important Notes and Reminders When Claiming Benefits

- Cost of Living Adjustment (COLA) is applied to your benefit once you obtain age 62 whether you're claiming benefits or not
- Delayed retirement credits (after FRA) aren't determined and granted until January 1 of the following year after claiming
- You have the option to suspend benefits after claiming within certain parameters (depending on when you claimed benefits)
- All benefits are subjected to the Earnings Test

COUPLES' BENEFITS

Spousal Benefits – Rules for married couples (while alive)

Spousal Benefit Formula	1. Start with 50% of higher earners FRA benefit
	2. Subtract the lower earners own FRA benefit
	3. Equals the spousal payment (then adjusted for filing age)

General Notes on Spousal Benefits:

- You can't claim spousal benefits until your spouse claims on his/her own benefit first
- Must have been married for at least 1 year to be eligible
- There is no longer an option to use the "File and Suspend" strategy. Spouse will receive the highest benefit available to them upon filing (Deemed Filing rules)
- [For more information](#) on spousal and other family benefits

Divorced Spouse Benefits (while both are still alive)

- If your client:
- Has been divorced for more than 2 years
 - Was married for more than 10 years to their ex-spouse
 - Hasn't re-married prior to the age of 60
 - Can provide a copy of original marriage certificate + divorce decree
- They may be entitled to benefits on his/her ex-spouse's record
- [For more information](#) about divorced spousal benefits

Spousal Claiming Strategy: Break-Even Ages

3 different scenarios below demonstrate at what age waiting to claim benefits (FRA or 70) would result in a higher total payout compared to claiming benefits now at the ages specified.

Claim Now	Claim at FRA	Claim at 70
1 Spouse A / age 62 / \$2,500/mo at FRA Spouse B / age 62 / \$1,250/mo at FRA	Age 76	Age 78
2 Spouse A / age 67 / \$3,000/mo at FRA Spouse B / age 63 / \$750/mo at FRA	Age 76	Age 79
3 Spouse A / age 66 / \$2,500/mo at FRA Spouse B / age 66 / \$2,500/mo at FRA	Age 79	Age 80

Longevity A: age 85, B: age 90, 2% COLA, BlackRock Social Security Benefits Estimator

SURVIVOR BENEFITS

Survivor Benefits – Rules for widows and widowers

Decedent DID NOT file for benefits and passed away before FRA
<ul style="list-style-type: none"> Survivor gets decedent's FRA benefit (*AFSA)
Decedent DID NOT file for benefits and passed away after FRA
<ul style="list-style-type: none"> Survivor gets decedent's FRA benefit as if filed on date of death (*AFSA)
Decedent DID FILE for benefits and passed away before FRA
<ul style="list-style-type: none"> Survivor gets the larger of: <ul style="list-style-type: none"> Actual benefit of decedent or ... 82.5% of the decedent's FRA benefit (Widow's Limit)
Decedent DID FILE for benefits and passed away after FRA
<ul style="list-style-type: none"> Survivor gets the benefit amount the decedent was receiving at death (*AFSA)
*Adjusted for Survivor's Age (AFSA) - means the benefit will be reduced if the surviving spouse claims benefits prior to his/her own FRA. Refer to the chart on the left side of this page.
General Notes on Survivor Benefits:
<ul style="list-style-type: none"> Surviving spouses can switch from receiving a survivor benefit to his/her own individual retirement record (if advantageous). This allows the surviving spouse to let their own retirement benefit grow and receive delayed credits. Must have been married at least 9 months Survivor benefits are subject to the Earnings Test For more information on survivor benefits

Survivor benefits from an ex-spouse who passed away

- If your client:
- Is age 60 or older
 - Was married for 10+ consecutive years to their ex-spouse
 - Is unmarried or re-married after age 60
- They may be eligible for survivor benefits on their deceased ex-spouse.

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TAXATION AND EARNINGS TEST

How much of your benefit will be subject to tax? (2 steps)

STEP 1: Calculate your Provisional Income (PI)		
Start with Adjusted Gross Income (excludes foreign income)		
+ 50% of your SS benefits being received		
+ Non-taxable Interest		
= Provisional Income		
What will increase Provisional Income?		
WILL increase PI	WILL NOT increase PI	
Pre-Tax Account Distributions	Roth IRA distributions	
Earnings / W2 Wages	Life Insurance Loans or Basis	
Capital Gains		
Pension payments		
STEP 2: Based on PI, determine how much (if any) of your benefits are subject to income tax?		
	MFJ	SINGLE
0% Taxable	< \$32,000	< \$25,000
50% Taxable	\$32,000 - \$44,000	\$25,000 - \$34,000
85% Taxable	> \$44,000	> \$34,000

Earnings Test – Impact when claiming benefits before FRA

Age	Earnings Limit	Benefit Withheld
62 - Jan 1 of the year reaching FRA	\$23,400	\$1 for every \$2 over limit
Year reaching FRA	\$62,160	\$1 for every \$3 over limit (for months leading up to FRA)
FRA and Beyond	No Limit	N/A once FRA is achieved
What Counts as “Earnings”? <i>Note: Earnings test looks at gross income</i>		
DOES Count	DOES NOT Count	
Wages	Pension Payments	Dividends
Net earnings from self employment	Annuity Payments	Interest Income
	IRA Distributions	Capital Gains

OTHER BENEFITS

Additional benefits that may be available

1. Social Security Disability Income (SSDI)
<ul style="list-style-type: none"> An entitlement benefit that is included in the taxes paid into Social Security. You must have enough credits to qualify for SSDI. Eligibility is based on having a medical condition that meets the strict definition of disability. Generally, benefits are paid to those who have been unable to work for over 1 year and will continue until regular work begins. If someone is receiving SSDI benefits, upon reaching FRA, SSDI will automatically convert to a retirement benefit with the benefit amount staying the same. Learn more about SSDI
2. Child-In-Care Benefit (Spousal or Survivor)
<ul style="list-style-type: none"> Payable to a spouse of any age who is caring for their child who is either under the age of 16 or permanently disabled before age 22 Maximum % of FRA benefit amount they're eligible for: <ul style="list-style-type: none"> 75% if due to death or 50% if retired or permanently disabled For spousal, other spouse must have filed for Retirement benefits Subject to the Family Maximum rules and the Earnings Test Will not be reduced no matter when the spouse claims the benefit Doesn't impact the claiming spouse's own retirement record
3. Benefits to Children
<ul style="list-style-type: none"> Payable to a child who is either: <ul style="list-style-type: none"> Under the age of 18 or, Under age 19 if still in high school or, Any age if permanently disabled before the age of 22 Maximum % of FRA benefit amount they're eligible for: <ul style="list-style-type: none"> 75% if due to death or 50% if retired or permanently disabled Subject to the Family Maximum rules and the Earnings Test



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GENERAL INFORMATION

H.R. 82 – Social Security Fairness Act (SSFA)

WEP and GPO have been repealed
<ul style="list-style-type: none"> Signed into law January 5, 2025 Repeals the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) provision, both of which can reduce Social Security benefits when someone receives a pension based on work that was not covered by Social Security. Retroactively applies to benefits payable for months after December 2023. Learn More about H.R. 82

2025 Numbers

Cost of Living Increase	2.5%
Employee Tax Rate	7.65% (Employer pays the other 7.65%)
Self-Employed Tax Rate	15.3%
SS Max Taxable Earnings	\$176,100
Medicare Taxable Earnings	No Limit
Quarter of Coverage	\$1,810
Average Social Security Benefits Being Paid	
All Retirees	\$1,927 / month
Couple, both collecting	\$3,014 / month
Disability	\$1,542 / month



[Social Security Benefit Calculators](#)



[LPL Webinars on Social Security Rules](#)



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