Social Security

2026 Benefits & Important Information

LPL Financial

What's Inside:

Claiming Decisions	Page 3
Couple's Benefits	Page 4
Survivor Benefits	Page 5
Taxation & Earnings Test	Page 6
Additional Benefits	Page 7
General Information	Page 8

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	***Jan. 1 birthdays refer to prior year***	

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			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:

- Federal income tax may apply to benefits, but there are some states that don't apply state income tax (check your state's rules).
- Delayed retirement credits (after FRA) earned in a year aren't re-calculated and applied until January 1 of the following year.
- You have the option to suspend benefits after claiming within certain parameters (depending on when you claimed benefits.)
- All Social Security benefits are subjected to the Earnings Test.

Couple's Benefits

Spousal Benefits – Rules for Married Couples *(while both are still alive)*

Spousal Benefit Formula:

- Start with 50% of higher earners FRA benefit
- Subtract the lower earners own FRA benefit
- 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 and there are no delayed credits earned on spousal benefits
- 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)*

- Have been divorced for more than 2 years
- Were married for more than 10 years to your ex-spouse
- Haven't re-married prior to the age of 60
- Can provide a copy of original marriage certificate + divorce decree
- If the above criteria are met, you ***may*** be entitled to benefits on your ex-spouse's record
- For more information about divorced spousal benefits

Spousal Claiming Strategy: Break-Even Ages

Three 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

These scenarios are hypothetical examples only. Your results will vary.

Survivor Benefits

Survivor Benefits – Rules for Widows and Widowers

- **Decedent DID NOT file for benefits and passed away before FRA**
  Survivor gets decedent's FRA benefit (*AFSA)

- **Decedent DID NOT file for benefits and passed away after FRA**
  Survivor gets decedent's FRA benefit as if filed on date of death (*AFSA)

- **Decedent DID FILE for benefits and passed away before FRA**
  Survivor gets the larger of:
  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**
  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 Age-Based Reduction and Increases chart page 3.

General Notes on Survivor Benefits:

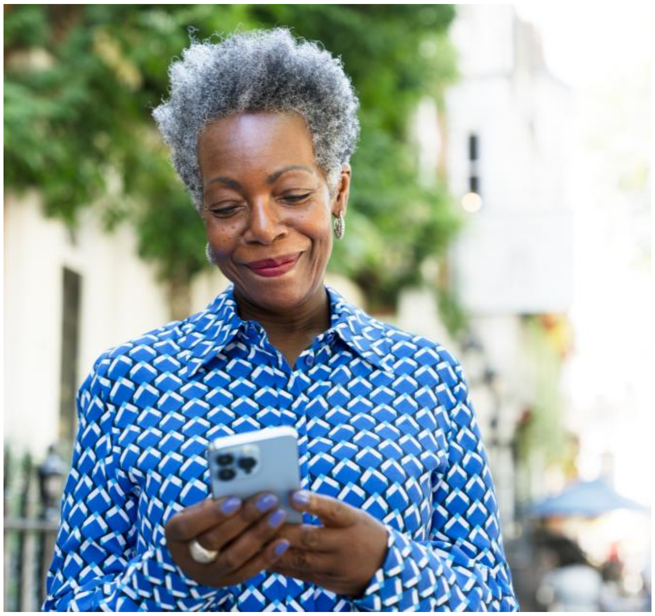
- Surviving spouses can switch from receiving a survivor benefit to his/her own individual retirement record (if advantageous). This allows the surviving spouse to let their own retirement benefit grow and receive delayed credits.
- Must have been married at least 9 months
- Can start as early as age 60
- For more information on survivor benefits

Survivor Benefits From an Ex-Spouse Who Passed Away

If you:

- Are age 60 or older
- Were married for 10+ consecutive years to your ex-spouse
- Are unmarried or re-married after age 60

You **may** be eligible for survivor benefits on your deceased ex-spouse.



Taxation & 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 Social Security benefits being received
+ Non-taxable Interest
= Provisional Income

What will increase Provisional Income?

WILL increase PI	WILL NOT increase PI
• Pre-Tax Account Distributions • Earnings / W2 Wages • Capital Gains • Pension payments	• Roth IRA distributions • Life Insurance Loans or Basis

STEP 2: Based on PI, determine how much (if any) of your benefits are subject to federal 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	$24,480	$1 for every $2 over limit
Year reaching FRA	$65,160	$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"? *Note: Earnings test looks at gross income*

DOES Count	DOES NOT Count	
• Wages • Net earnings from self employment	• Pension Payments • Annuity Payments • IRA Distributions	• Dividends • Interest Income • Capital Gains

Additional Benefits

Additional benefits that may be available

1. Social Security Disability Income (SSDI)

- An entitlement benefit that is included in the taxes paid into Social Security. You must have enough credits to quality for SSDI.
- Eligibility is based on having a medical condition that meets the strict definition of disability
- In general, SSDI pays monthly benefits to people who are unable to work for a year (12 consecutive months) or more because of a disability. Generally, there is a 5-month waiting period and they will pay your 1st benefit in the 6th full month after the date they find your disability began.
- 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 Benefit

- 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:
- 75% if due to death or 50% if retired or permanently disabled
- 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

- Payable to a child who is either:
  - 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:
  - 75% if due to death or 50% if retired or permanently disabled
  - Subject to the Family Maximum rules and the Earnings Test

General Information

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

WEP and GPO have been repealed

- 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

2026 Numbers

Cost of Living Increase	2.8%
Employee Tax Rate	7.65% (Employer pays the other 7.65%)
Self-Employed Tax Rate	15.3%
SS Max Taxable Earnings	$184,500
Medicare Taxable Earnings	No Limit
Quarter of Coverage	$1,891
Average Social Security Benefits Being Paid	
All Retirees	$2,017
Couples (both collecting)	$3,208
Disabled Worker	$1,630

For more information call 800-772-1213 or visit SSA.gov