

# CAN YOU COLLECT SOCIAL SECURITY IF YOU'RE STILL WORKING?

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If you are nearing retirement age, you are probably wondering when the best time is to take Social Security. The earliest you can take your Social Security benefit is age 62, and the latest is age 70. You can claim your benefits any time in between that minimum and maximum age. You are allowed to work and take Social Security benefits at the same time. However, if you do so before you reach full retirement age, part of your benefits will be reduced.

Your full retirement age is 67 years old if you were born in 1960 or later. If you were born between 1943 and 1954, your full retirement age is between 66 and 67. Every year you delay claiming your benefits past your full retirement age, your benefit increases by 8% per year. As you can imagine, waiting until age 70 can result in a nice monthly payout. Whereas if you claim at age 62, your monthly benefit is reduced.

Sometimes, people retire early from their careers but return to work. This can happen for multiple reasons but can also cause a problem if you are already collecting Social Security. If you are under your full retirement age, receiving Social Security benefits, and working, Social Security will withhold benefits at the following rates in 2024:

- **\$1 for every \$2 of earned income above \$22,320 until you reach full retirement age.** For example, let's say you're 64, earn \$25,000 from working, and are already getting benefits. You have earned \$2,680 above the earnings limit so that Social Security would withhold \$1,340 from your benefit.
- **\$1 for every \$3 of earned income above \$56,520 the year you reach full retirement age until the month before you're eligible for your full benefit.** Suppose you reach full retirement age in October. Social Security would only reduce your benefits if you earned more than \$56,520 between January and September.

To maximize your monthly Social Security checks, the most straightforward strategy is to wait until full retirement age before claiming your benefits. That way, you'll earn an unlimited amount without losing a penny of your Social Security. If you're claiming at the beginning of the year, when you'll reach full retirement age, the higher earnings limit (\$56,250) makes it less likely to give up your Social Security benefits if you're still working. If you decide to work part-time, pay attention to the earning limits and how they compare with your pay.

Some scenarios make claiming Social Security early the right choice. These may include poor health, having a lower benefit amount in a couple, or a pure need for income. Deciding what age to claim should be part of a bigger plan that incorporates all sources of income, investments, taxes, and your goals. It would be best to not solely base your decision on when you retire from your career. After incorporating these several factors into your overall decision-making, you may find waiting until your full retirement age to claim your benefits produces the best possible outcome.

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