

WORK

Social Security and Work



AARP[®]
Real Possibilities

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Social Security Earnings Limit

- Applies if you are below full retirement age
- Limit is \$16,920 for 2017
- \$1 is deducted for every \$2 earned above the limit

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Earnings Limit (cont.)

- In the year you reach full retirement age, the limit rises to \$44,880
- \$1 is deducted for every \$3 earned over the limit

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Earnings Limit (cont.)

Steve is 62. He earns \$47,000 from his full-time job.

$$\begin{array}{r} \$47,000 \text{ his earnings} \\ - \underline{\$16,920 \text{ the 2017 earnings limit}} \\ \$30,080 \end{array}$$

Steve's annual benefit will be reduced by around \$15,000:
\$1 for every \$2 over the limit, or half of \$30,000.

The benefit is not lost! It is added back at full retirement age.