

**SOCIAL SECURITY ADMINISTRATION  
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**Questions & Answers  
October 27, 2011**

***RETIREMENT***

**Question:**

I work in retirement. How much can I earn and still collect full Social Security retirement benefits?

**Answer:**

Social Security uses the formulas below, depending on your age, to determine how much you can earn before we must reduce your benefit:

- **If you are younger than full retirement age:** \$1 in benefits will be deducted for each \$2 you earn above the annual limit. For 2011, that limit is \$14,160.
- **In the year you reach your full retirement age:** \$1 in benefits will be deducted for each \$3 you earn above a different limit, but we count only earnings before the month you reach full retirement age. For 2011, this limit is \$37,680.
- **Starting with the month you reach full retirement age:** you will get your benefits with no limit on your earnings.

Find out your full retirement age at [www.socialsecurity.gov/pubs/ageincrease.htm](http://www.socialsecurity.gov/pubs/ageincrease.htm).

**Question:**

Do I have to pay income tax on my Social Security benefits?

**Answer:**

It depends. Fewer than one-third of our current beneficiaries pay income taxes on their benefits. You will have to pay Federal income taxes on your benefits if you file an individual Federal income tax return and your total income is more than \$25,000. If you file a joint return, you will have to pay income taxes if you and your spouse have total income of more than \$32,000.

For more information, call the Internal Revenue Service (IRS) toll-free at 1-800-829-3676 and ask for IRS Publication 915, *Social Security and Equivalent Railroad Retirement Benefits*, [www.irs.gov/publications/p915/index.html](http://www.irs.gov/publications/p915/index.html). People who are deaf or hard of hearing may call the IRS toll-free number, 1-800-829-4059.

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