

Social Security Retirement Benefits

An educational handout for women planning protected retirement income



**WISE WOMEN
PROSPER**

Full Retirement Age (FRA)

Year born	Full retirement age
1937 or earlier	65
1938–1942	65 + 2 months per year after 1937
1943–1954	66
1955–1959	66 + 2 months per year after 1954
1960 or later	67

Born in 1960 or later? Your full retirement age is 67. Most women approaching retirement today fall here.

Claiming Early or Late

Reduced benefits if claimed at 62

If your FRA is...	Benefit reduction at 62
65	20%
66	25%
67	30%

Delayed retirement credits (claim past FRA)

Year of birth	Yearly increase to age 70
1939–1940	7.0%
1941–1942	7.5%
1943 or later	8.0%

Who Can Collect on Your Record

Spouse	<ul style="list-style-type: none"> Age 62 or over Any age, if caring for your child under 16 or disabled before 22 Age 60 if widowed 	<p>Spousal: Up to 50% of your PIA, reduced if taken before her FRA.</p> <p>Survivor: Up to 100% of your benefit, but not less than 82.5% of your PIA.</p>
Former spouse	Age 62 or over, married at least 10 years, currently unmarried, and not entitled to a higher benefit on her own record	Same as Spouse, calculated on your record. The marriage and ex-spouse provisions apply independently of any current marriage you may have.

Children under 18 (or up to 19 if in high school, or any age if disabled before 22) may also receive 50% (Child) or 75% (Survivor) of your PIA.

2026 FICA Amounts

Item	2026 amount
Taxable earnings base	\$184,500
Earnings to earn one credit	\$1,890
Earnings for 4 credits (max/yr)	\$7,560
Combined SS + Medicare tax	7.65%
Social Security (OASDI)	6.2%
Medicare (HI)	1.45%

You need 40 lifetime credits (about 10 years of covered work) to qualify for retirement benefits. Extra credits beyond 40 do not increase your benefit; your earnings history does.

2026 Cost-of-Living Adjustment

2.8% COLA for 2026, applied to benefits beginning January 2026. Based on the rise in CPI-W from Q3 2024 to Q3 2025.

Year	COLA	Year	COLA
2017	0.3%	2022	5.9%
2018	2.0%	2023	8.7%
2019	2.8%	2024	3.2%
2020	1.6%	2025	2.5%
2021	1.3%	2026	2.8%

2026 Retirement Earnings Limits

If you collect Social Security before reaching FRA and continue to work, benefits may be temporarily reduced.

Your situation	2026 limit	Withholding
Under FRA all year	\$24,480	\$1 withheld for every \$2 earned over the limit
Year you reach FRA	\$65,160	\$1 withheld for every \$3 over the limit (earnings before the FRA month only)
FRA or later	No limit	No reduction

Important 2026 Update: WEP and GPO Repealed

The Social Security Fairness Act, signed January 5, 2025, repealed the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO), effective for benefits payable starting January 2024. Pensions from work not covered by Social Security (some teachers, firefighters, police officers, federal CSRS workers) no longer reduce your Social Security benefit, spousal benefit, or survivor benefit.

Social Security Retirement Benefits

Continued — taxation, formulas, glossary, and 2026 law updates



Federal Income Tax on Your Benefits

Whether your Social Security benefits are taxable depends on your **provisional income**, which equals your adjusted gross income, plus any tax-exempt interest, plus 50% of your Social Security benefit.

Filing status	Provisional income	Taxable share
Single / HoH	Below \$25,000	0%
	\$25,000 – \$34,000	Up to 50%
	Above \$34,000	Up to 85%
Married, filing jointly	Below \$32,000	0%
	\$32,000 – \$44,000	Up to 50%
	Above \$44,000	Up to 85%

These provisional income thresholds are set by statute and are not adjusted for inflation, so over time more retirees see a portion of their benefits taxed.

New for 2025–2028: Senior Bonus Deduction

The One Big Beautiful Bill Act (signed July 4, 2025) created a temporary **senior bonus deduction** of up to **\$6,000 per person 65+** (up to \$12,000 per couple if both spouses are 65+). It applies for tax years 2025 through 2028.

Filing status	Full deduction	Phases out at
Single	MAGI ≤ \$75,000	MAGI > \$95,000
Married, filing jointly	MAGI ≤ \$150,000	MAGI > \$190,000

This deduction does not change the provisional income formula, but by lowering taxable income overall it can keep more retirees below the 50% and 85% thresholds.

How Your Benefit Is Calculated (PIA)

Your **Primary Insurance Amount (PIA)** is the monthly benefit you receive at full retirement age. It is calculated from your Average Indexed Monthly Earnings (AIME) using a three-tier formula. The dollar thresholds, called **bend points**, update each year.

Your AIME	PIA formula (2026 eligibility)
\$0 – \$1,286	90% of AIME
\$1,286 – \$7,749	\$1,157.40 + 32% of AIME above \$1,286
\$7,749 or higher	\$3,225.56 + 15% of AIME above \$7,749

2026 bend points apply to workers first eligible in 2026 (generally those born in 1964). Once your bend points are set, only annual COLAs adjust your benefit thereafter.

Key Terms to Know

AIME — Average Indexed Monthly Earnings

The dollar figure used to calculate your PIA. Past earnings are adjusted using a wage index so older earnings stay comparable to today's wages.

FICA — Federal Insurance Contributions Act tax

The payroll tax funding Social Security and Medicare. Workers and employers each pay 7.65% (6.2% Social Security + 1.45% Medicare) up to the wage base.

FRA — Full Retirement Age

The age you can claim 100% of your PIA. For anyone born 1960 or later, FRA is 67.

PIA — Primary Insurance Amount

Your full monthly retirement benefit at FRA. All other benefits on your record (spousal, survivor) are calculated from your PIA.

COLA — Cost-of-Living Adjustment

The annual benefit increase based on the CPI-W. The 2026 COLA is 2.8%.

WEP & GPO — Repealed

The Windfall Elimination Provision and Government Pension Offset were repealed by the Social Security Fairness Act (signed January 5, 2025), effective for benefits payable starting January 2024.

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