



2025 | SOCIAL SECURITY GUIDE

UNDERSTANDING SOCIAL SECURITY



CONTENT

INDIVIDUAL COLLECTION DECISION

QUALIFYING FOR BENEFITS

COLLECTING BENEFITS

Full Retirement Age, Earlier, While Working,
Waiting, Changing Your Mind

TAXATION OF BENEFITS

02 FAMILY COLLECTION DECISION

BENEFICIARIES

MAXIMUM BENEFITS

SPOUSAL & SURVIVOR BENEFITS

BENEFITS AFTER DIVORCE

03 IMPACTS OF GOVERNMENT PENSIONS

INTRODUCTION

Deciding when to begin taking Social Security benefits is a critical and multifaceted decision that should align with your broader retirement plan. While collecting Social Security benefits at the earliest opportunity (age 62) might seem appealing, longer life expectancies and evolving retirement needs make waiting to collect a potentially more advantageous option.

This guide reviews key details to consider in your Social Security decision-making process. Consult with your financial and tax professionals to ensure your Social Security strategy complements your overall retirement plan.

01 INDIVIDUAL COLLECTION DECISION

QUALIFYING FOR BENEFITS

To qualify for Social Security retirement benefits, you must work and pay taxes under the Federal Insurance Contributions Act (FICA), earning up to four credits per year. In 2025:

- **Taxable Earnings Base:** \$172,800
- **Earnings Required for One Credit:** \$1,800
- **Earnings Required for Four Credits:** \$7,200

Once you have accumulated 40 credits (approximately 10 years of work), you are fully insured and eligible for benefits.

COLLECTING BENEFITS AT FULL RETIREMENT AGE (FRA)

Your FRA depends on your year of birth. For those born in 1960 or later, the FRA is 67. Benefits are calculated based on your highest 35 years of indexed earnings. If you continue working after FRA, benefits may increase to reflect higher earnings.



COLLECTING BENEFITS EARLY

If you choose to collect benefits before FRA, they will be permanently reduced. For example, collecting at age 62 results in a 30% reduction if your FRA is 67.

WAITING TO COLLECT BENEFITS

Waiting past FRA to collect benefits increases your payments by 8% annually until age 70. For example, if your FRA benefit is \$2,000 per month, waiting until age 70 increases it to \$2,480 per month.

WORKING WHILE COLLECTING BENEFITS BEFORE FRA

If you work while collecting benefits early, your benefits may be reduced based on earnings thresholds. In 2025:

- **Under FRA:** \$1 withheld for every \$2 earned above \$23,000.
- **Year Reaching FRA:** \$1 withheld for every \$3 earned above \$61,000.
- **After FRA:** No earnings limit.

CHANGING YOUR MIND

If you regret claiming benefits early, you may withdraw your application within 12 months of starting. You must repay all received benefits and can reapply later.

TAXATION OF BENEFITS

Your benefits may be taxed based on your “provisional income,” which includes half of your Social Security benefits plus other income. In 2025:

SINGLE FILERS:

- Income \$0–\$25,000: 0% taxable
- Income \$25,001–\$34,000: Up to 50% taxable
- Income above \$34,000: Up to 85% taxable

MARRIED FILING JOINTLY:

- Income \$0–\$32,000: 0% taxable
- Income \$32,001–\$44,000: Up to 50% taxable
- Income above \$44,000: Up to 85% taxable



FAMILY COLLECTION DECISION 02

BENEFICIARIES

Certain family members may collect benefits based on your work record, including:

- Spouses (current or former)
- Children under age 18 (or disabled before age 22)

MAXIMUM FAMILY BENEFITS

The maximum family benefit ranges from 150% to 188% of your primary insurance amount (PIA). Benefits for family members may be proportionally reduced to stay within this limit.



SPOUSAL AND SURVIVOR BENEFITS

If your spouse's PIA exceeds yours, you may collect up to 50% of their PIA at FRA. Collecting spousal benefits before FRA results in a reduction.

If your spouse passes away, you may receive survivor benefits equal to 100% of their PIA if you've reached FRA. Reduced benefits are available as early as age 60.

DIVORCE AND BENEFITS

If divorced, you may collect spousal or survivor benefits from your ex-spouse's work record if the marriage lasted at least 10 years and you remain unmarried (unless remarried after age 60).





03 IMPACTS OF GOVERNMENT PENSIONS

If you receive a government pension from employment not covered by Social Security taxes, your benefits may be reduced by:

- **Windfall Elimination Provision (WEP):** Reduces your own Social Security benefits. The reduction depends on your years of substantial earnings covered by Social Security.
- **Government Pension Offset (GPO):** Reduces spousal and survivor benefits by two-thirds of your government pension.

UPDATES ON THE SOCIAL SECURITY FAIRNESS ACT (2025)

The Social Security Fairness Act proposes to eliminate both the WEP and GPO, potentially restoring full Social Security benefits to affected individuals. As of 2025, the Act is under consideration in Congress, with widespread support from educators, public service employees, and advocacy groups. If passed, it would:

- Remove WEP reductions for individuals who have both covered and non-covered employment.
- Eliminate GPO reductions for spousal and survivor benefits, ensuring fair treatment for public sector retirees.

CONCLUSION

Understanding the nuances of Social Security benefits ensures you make informed decisions that align with your retirement goals. Visit www.ssa.gov to access personalized information and consult with your financial advisor to develop a tailored strategy.

DISCLOSURE

Investment advisory services offered through Foundations Investment Advisors, LLC, an SEC registered investment adviser.

The following link/content may include information and statistical data obtained from and/or prepared by thirdparty sources that Foundations Investment Advisors, LLC (“Foundations”), deems reliable but in no way does Foundations guarantee its accuracy or completeness. Foundations had no involvement in the creation of the content and did not make any revisions to such content. All such third-party information and statistical data contained herein is subject to change without notice and may not reflect the view or opinions of Foundations. Nothing herein constitutes investment, legal or tax advice or any recommendation that any security, portfolio of securities, or investment strategy is suitable for any specific person. Personal investment advice can only be rendered after the engagement of Foundations, execution of required documentation, and receipt of required disclosures. All investments involve risk and past performance is no guarantee of future results.





RS RETIRE**SIMPLY**

3120 SABRE DRIVE.
SUITE #140
SOUTHLAKE, TEXAS 76092

817.328.6152
INFO@RETIRESIMPLY.COM