

10 Social Security insights all workers should know

There are many misconceptions and gaps of knowledge about Social Security that can prove costly for future retirees. This list will help clarify those misconceptions and fill in those gaps.

Most Americans believe that the Social Security program will run out of money.¹

3 in 4 adults age 18 and older worry that the program will run out of money in their lifetimes, with 1 in 5 believing they won't get a dime of their promised benefits. Yet as long as there are workers, money is flowing into the Social Security Trust Fund and will be paid out to beneficiaries. Unless Congress approves changes, benefit reductions are anticipated beginning in 2033.²

A 23% across-the-board benefit cut is likely by 2033.²

If Congress takes no action, current and future recipients will soon begin receiving less. Review your personalized statement at ssa.gov/myaccount and use it to assess the amount you may need to make up with outside savings.

Only 1 in 5 Americans can correctly identify the age at which they'll receive full benefits.¹

The age at which a worker is eligible to receive full benefits is their full retirement age (FRA). For individuals born in 1960 or later, their FRA is 67.

Choosing to delay filing leads to increased monthly benefits.

In fact, monthly benefits could increase by as much as 77%.³ The earliest a worker can file for benefits is age 62 — at a reduced level. But delaying until as long as age 70 increases monthly benefits. There aren't any added gains by delaying benefits past age 70.

2.4%

Social Security trustees project inflation adjustments averaging 2.4% per year through 2099.²

Benefits provide inflation protection before and throughout retirement.

Since 1975, the Social Security Administration has provided an automatic annual cost of living allowance tied to the change in the Consumer Price Index (CPI-W). The adjustment applies to both those who are currently receiving benefits and for workers who have not yet filed. In rare cases in which deflation occurs, benefits remain level.

Many Americans believe that if they claim benefits early, their benefits will go up when they reach FRA.¹

That's not true. The amount when benefits are claimed, plus any subsequent cost-of-living increases, is the amount that will be received over a worker's lifetime. That's why the timing of a filing decision is so important.

It's possible to work while receiving benefits.

However, a worker's age in relation to their designated full retirement age (FRA) matters. Those working prior to achieving their FRA likely won't receive the full amount of annual Social Security benefits, so it's important to understand the impacts and options of a phased retirement.

You can fix a filing mistake, if you act quickly.

You could withdraw your application within 12 months of first claiming benefits as long as you repay all benefits received. Doing so could increase your benefit amount later.

If one spouse passes away, Social Security income could drop by as much as half.

However, if both spouses were receiving benefits, the surviving spouse can continue receiving the greater of the two benefit amounts.

Social Security benefits rarely provide enough income to live on.

For middle- to higher-income workers, Social Security replaces (on average) about 20 to 30% of the worker's pre-retirement income. To meet their remaining needs, retirees can consider income strategies that both last a lifetime and that can help keep up with rising expenses over a 30+ year retirement.



Consider this

No later than age 55, workers should consider planning their personalized Social Security filing strategy.



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¹ "The Nationwide Retirement Institute 2025 Social Security Survey," conducted by The Harris Poll on behalf of the Nationwide Retirement Institute. This online survey was conducted June 2-17, 2025, among 1,812 U.S. adults age 18 or older.

² "The 2025 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds," Social Security Administration (June 2025).

³ "Your Social Security Statement," Social Security Form SSA-7005-SM-OL (June 22).

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