



## Understanding Social Security

*Social Security is funded through payroll taxes, known as the Federal Insurance Contributions Act (FICA). While working, you contribute a portion of your earnings (7.65 percent) up to the taxable wage base and your employer also contributes (7.65 percent). The taxable wage base is the maximum amount of income subject to Social Security taxes.*

---

### How Social Security Works

There are different benefits that can be accessed through Social Security, the most common of which are retirement benefits, spousal benefits, disability benefits, and survivor benefits.

The amount of benefits you and your family may receive depends on several factors such as your average lifetime earnings, type of Social Security benefit being used, and when you claim at Full Retirement Age. Employers report your wages and tax contributions to the Social Security Administration (SSA). If you're self-employed, that information is submitted through the IRS via your tax filing.

To get a clearer picture of your personal Social Security outlook, you can create an account at [ssa.gov](http://ssa.gov). Through this portal, you can access your Social Security Statement, which includes a record of your past earnings along with estimates for retirement, disability, and survivor benefits. If you're not enrolled online and are under 60, you'll receive a mailed statement once you turn 60. The site also offers tools like the Retirement Estimator and other benefit calculators to help you plan more

---

accurately.

## **Earning Eligibility Through Work Credits**

Eligibility for Social Security benefits is determined through a system of credits. You earn these credits by working and paying into the system. Each year, based on your income, you can earn up to four credits. Typically, qualifying for retirement benefits requires 40 credits, equivalent to about 10 years of work. However, for disability or survivor benefits, fewer credits may be sufficient depending on your situation.

## **Retirement Benefits: Timing and Earnings Matter**

Your Social Security retirement benefit is determined by your average indexed monthly earnings (AIME), which is calculated using the average of the highest 35 years of earnings, adjusted for inflation then divided by 720 months. For those born between 1943 and 1954, the full retirement age is 66. That age gradually increases for those born later, capping at 67 for anyone born in 1960 or afterward.

You do have the option to start collecting benefits as early as age 62, but early retirement comes with a trade-off: your monthly benefits will be permanently reduced. On the flip side, if you delay taking benefits past your full retirement age—up to age 70—you'll earn delayed retirement credits, which increase your monthly benefit by up to eight percent for each year you wait.

## **Social Security and Disability**

If a serious mental or physical health condition prevents you from working for at least 12 months, you may be eligible for disability benefits through Social Security. Keep in mind that the SSA has a strict definition of disability: you must be unable to engage in any substantial work. Temporary or short-term disabilities typically don't qualify.

Disability benefits don't start immediately; they begin after a waiting period that includes five full months from the date your disability begins. Because the application and approval process can be time-consuming, it's recommended to apply as soon as it's clear your condition will be long-term.

## **Support for Your Family Members**

If you are receiving Social Security retirement or disability benefits, certain members of your family may also be eligible to receive monthly payments based on your earnings record. For example, your spouse—or former spouse—can qualify for benefits at age 62 or older, as long as the marriage lasted at least 10 years (in the case of an ex-spouse). A spouse or former spouse of any age may also qualify if they are caring for your child who is either under the age of 16 or has a disability. Unmarried children under age 18 (or under 19 if still enrolled full-time in high school) may also be eligible. Additionally, children of any age who became severely disabled before turning 22 may qualify for benefits.

Each eligible family member can receive as much as 50 percent of your monthly benefit amount.

However, there is a limit to how much Social Security will pay to a family based on the worker's record. This family maximum typically falls between 150 percent and 180 percent of your full retirement benefit. If the total amount owed to your family exceeds that limit, each family member's individual payment will be reduced proportionally. Your own benefit, however, will remain unchanged.

## **Survivor Benefits**

Social Security can also provide ongoing support to your family after your death. Survivor benefits may be available to:

- A surviving spouse or ex-spouse age 60 or older (or 50 if disabled)
- A spouse or former spouse caring for your child who is either under 16 or has a disability
- Unmarried children under 18 (or under 19 if still in high school)
- Adult children who were severely disabled before turning 22
- Parents who depended on the deceased financially for at least half of their support

Additionally, your widow(er) or children may receive a one-time lump-sum death payment of \$255 shortly after your passing.

## **How to Apply for Social Security Benefits**

When you're ready to claim your benefits, you have several options: apply online at [ssa.gov](http://ssa.gov), call 800.772.1213, or schedule an in-person appointment at your local Social Security office. It's best to start the process about three months before you want your benefits to begin. However, for disability and survivor benefits, applying as soon as you're eligible is advisable.

Be prepared to provide documentation such as your birth certificate, W-2 forms, proof of citizenship or lawful immigration status, and your Social Security number. If family members are also applying, similar documents will be required for them. If you don't have all the necessary papers, an SSA representative can guide you through obtaining certified copies or replacements.

*Resource by the CAPTRUST wealth planning team*

Have questions? Need help? Call the CAPTRUST Advice Desk at 800.967.9948, or [schedule an appointment](#) with a retirement counselor today.

---

## **Legal Notice**

This document is intended to be informational only. CAPTRUST does not render legal, accounting, or tax advice. Please consult the appropriate legal, accounting, or tax advisor if you require such advice. The opinions expressed in this report are subject to change without notice. This material has been

---



prepared or is distributed solely for informational purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. The information and statistics in this report are from sources believed to be reliable but are not warranted by CAPTRUST Financial Advisors to be accurate or complete. All publication rights reserved. None of the material in this publication may be reproduced in any form without the express written permission of CAPTRUST: 919.870.6822.

© 2026 CAPTRUST Financial Advisors