

## In 2017, What Impact Does Continuing to Work After Retirement Have on Social Security Retirement Benefits?

Continuing to work after you begin receiving Social Security retirement benefits may reduce the amount of those benefits ultimately available to support your retirement standard of living in two ways:

- 1. Your earned income (wages and self-employment income) may cause your Social Security benefits to be subject to income tax.** If your Social Security benefits are **not** currently exposed to income tax, you should evaluate whether your earned income will put you over the tax-free base amount of Social Security retirement benefits (\$25,000 if single; \$32,000 if married filing jointly).
- 2a. If you are between the ages of 62 and your full retirement age (age 66 in 2017),** your 2017 Social Security benefits are reduced \$1 for each \$2 of your earned income in excess of the 2017 exempt amount of \$16,920. The exempt amount is adjusted each year for inflation.
- 2b. If you are receiving Social Security benefits and you have reached your full retirement age,** there is no retirement earnings test for people who have reached their Social Security full retirement age (age 66 for people born between 1943 and 1954). Here's how it works:
  - **In the year you reach full retirement age,** \$1 in benefits will be deducted for each \$3 you earn above a specific annual limit (\$44,880 in 2017), **but only counting earnings before the month you reach the full benefit retirement age.**
  - **Starting with the month in which you reach full retirement age** (age 66 for people born between 1943 and 1954), you will receive the full Social Security retirement benefit to which you are entitled, without regard for or limit on your earnings.