

What Every 30-Year-Old Should Know About Social Security

Young people have a lot to gain by figuring out how Social Security works.



By [Emily Brandon \(https://www.usnews.com/topics/author/emily-brandon\)](https://www.usnews.com/topics/author/emily-brandon), Staff Writer | June 18, 2018, at 12:30 p.m.

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Young workers should know that the Social Security program is projected to have enough income to pay out promised benefits until 2034, according to the 2018 Trustees Report. (Getty Images)

Workers approaching retirement are often anxious to [learn more about Social Security](https://money.usnews.com/money/retirement/social-security/articles/frequently-asked-social-security-benefit-questions) (<https://money.usnews.com/money/retirement/social-security/articles/frequently-asked-social-security-benefit-questions>) and take steps to maximize their payments. But there are other aspects of the program that you might qualify for before your 30th birthday, such as life insurance and disability benefits. And those looking to [maximize retirement payouts](https://money.usnews.com/money/retirement/social-security/articles/2017-01-23/6-social-security-calculators-that-can-help-you-decide-when-to-claim) (<https://money.usnews.com/money/retirement/social-security/articles/2017-01-23/6-social-security-calculators-that-can-help-you-decide-when-to-claim>), should monitor earnings throughout their career. Here's what you need to know about Social Security before your 30th birthday.

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How to check your earnings history. The Social Security Administration no longer mails paper statements to people below age 60. However, you can view your [Social Security statement](https://money.usnews.com/money/retirement/social-security/articles/2017-07-10/5-things-to-know-about-your-social-security-statement) (<https://money.usnews.com/money/retirement/social-security/articles/2017-07-10/5-things-to-know-about-your-social-security-statement>) online by creating a [My Social Security account](https://money.usnews.com/money/retirement/social-security/articles/2016-10-17/7-things-you-can-do-with-a-my-social-security-account) (<https://money.usnews.com/money/retirement/social-security/articles/2016-10-17/7-things-you-can-do-with-a-my-social-security-account>). Your Social Security statement lists how much you have

earned in each year of your career and how much you and your employer have paid into the Social Security and Medicare programs. "It's worth taking a few minutes to check your earnings record with the Social Security Administration," says Mike Piper, a certified public accountant and author of "Social Security Made Simple." "If the Social Security Administration is missing data regarding any of your earnings, you'll get a smaller benefit than you deserve."

[See: [Retirement Savings Milestones to Hit by Age 30](https://money.usnews.com/money/retirement/aging/slideshows/retirement-savings-milestones-to-hit-by-age-30)

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How much you can expect to receive in retirement. Your Social Security statement will give you an estimate of your monthly payments in retirement. However, that estimate assumes you will continue to work and earn your current salary until retirement. You might be able to boost your retirement payout if you earn a higher salary, up to the annual taxable maximum (<https://money.usnews.com/money/retirement/social-security/articles/what-is-the-maximum-possible-social-security-benefit>). If you work for more than 35 years, your most highly paid years will be used in your retirement benefit calculation. It's also worth checking how much your payment will decline if you collect your benefit early at age 62 and what you could potentially receive if you delay claiming until age 70 (<https://money.usnews.com/money/retirement/social-security/articles/2017-06-12/8-benefits-of-claiming-social-security-later>).

How much you will receive if you become disabled. Social Security is not just a retirement program. Workers who become disabled and are no longer able to work might qualify for disability payments from Social Security. "If you're in a serious accident and unable to work, Social Security will provide a monthly benefit to compensate partially for your inability to earn what you previously did at your job," says Levi Sanchez, a certified financial planner and co-founder of Millennial Wealth in Seattle. However, you will need to provide medical records about your condition. It's often a lengthy process to apply for disability payments. Disability benefits don't start until at least six months after your disability began, and there's often a several month wait time to process applications. Your Social Security statement lists the amount you might qualify for if you become disabled in the coming year.

[See: [10 Ways to Increase Your Social Security Payments](https://money.usnews.com/money/retirement/social-security/slideshows/ways-to-increase-your-social-security-payments)

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What your family members will get if you pass away. Social Security provides survivor's payments to certain family members when a worker passes away. Your Social Security statement lists how much your dependent children and a spouse caring for your dependent children under age 16 might qualify for if you pass away. However, there is a cap on the total amount family members can

receive, which is also listed on your statement. "If you are married with children under 16 and your spouse dies, you and your children are likely eligible for survivor benefits up to a family maximum," says Angie Furubotten-LaRosee, a certified financial planner at Avea Financial Planning in Richland, Washington. "Your unmarried kids who are under 18 or still in school and under 19 are also eligible for a survivor benefit, even if the surviving parent no longer is."



Whether your parents have claimed. When your parents or grandparents receive money from Social Security, they are less likely to require financial assistance from younger family members. If you do decide to help care for aging relatives, having a Social Security check coming in can help to defray some of the costs. Talk to your older relatives about their Social Security experiences. It might not be too late to employ some strategies to [boost their Social Security payments](https://money.usnews.com/money/retirement/articles/2016-01-25/how-to-undo-claiming-social-security-early) (<https://money.usnews.com/money/retirement/articles/2016-01-25/how-to-undo-claiming-social-security-early>).

[Read: [How to Save \\$100,000 for Retirement by Age 35](https://money.usnews.com/money/retirement/401ks/articles/2018-06-12/how-to-save-100-000-for-retirement-by-age-35)

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The Social Security program's financial health. The Social Security program is projected to have sufficient income to pay out promised benefits until 2034, after which the program will bring in enough revenue to pay out 77 percent of scheduled payments, according to the 2018 Trustees

Report. But the problem could also be fixed by a 2.78 percentage point increase to the payroll tax, a cut in promised payouts or a combination of the two approaches, the report found. "Even if nothing is done whatsoever to improve the funding status of the program, it will still be able to pay 77 percent of what it currently promises to pay," Piper says. "The most important thing for millennials to know about Social Security is that it will be around when you retire."

10 SOCIAL SECURITY RULES EVERYONE SHOULD KNOW



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