

# *Social Security*

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How You  
Earn Credits



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[www.ssa.gov](http://www.ssa.gov)

## How You Earn Credits

You earn Social Security credits when you work in a job in which you pay Social Security taxes. The credits are based on your earnings.

During your working years, your wages are posted to your Social Security record, and you receive earnings credits based on those wages. We use these credits to determine your eligibility for retirement benefits or for disability or survivors benefits if you should become disabled or die.

Each year the amount of earnings needed for a credit goes up as average earnings levels increase. ***In 2003, you receive one credit for each \$890 of earnings, up to the maximum of four credits per year.***

The credits you earn remain on your Social Security record even if you change jobs or have no earnings for a while.

### ***Special Rules For Some Jobs***

Special rules for earning Social Security coverage apply to certain types of work.

***If you're self-employed***, you earn Social Security credits the same way employees do (one credit for each \$890 in net earnings, but no more than four credits per year). However, special rules apply if you have net annual earnings of less than \$400. For more information, contact us for a free copy of the factsheet, ***If You're Self-Employed*** (Publication No. 05-10022).

***If you're in the military***, you earn Social Security credits the same way civilian employees do. You also may receive addi-

tional earnings credits under certain conditions. For more information, contact us for a free copy of the factsheet, ***Military Service And Social Security*** (Publication No. 05-10017).

***Other kinds of work*** also have special rules about how you earn credits. Some of these jobs are—

- domestic work;
- farm work; or
- work for a church or church-controlled organization that is exempt from paying Social Security taxes.

Call us if you have a question about how you earn credits in your job.

## How Many Credits Do You Need?

The number of credits you need to be eligible for benefits depends on your age and the type of benefit.

### ***Retirement Benefits***

Anyone born in 1929 or later needs 40 credits to be eligible for retirement benefits. People born ***before 1929*** need fewer credits.

### ***Disability Benefits***

How many credits you need for disability benefits depends on your age when you become disabled.

***If you become disabled before age 24,*** you generally need six credits during the three-year period ending when your disability begins.

***If you're 24 through 30***, you generally need credits for half of the period between age 21 and the time you become disabled.

***If you're disabled at age 31 or older***, you need the number of credits shown in the following table. Also, you must have earned at least 20 of the credits in the 10 years immediately before you became disabled.

<b><i>Disabled At Age</i></b>	<b><i>Credits Needed</i></b>
31 through 42	20
44	22
46	24
48	26
50	28
52	30
54	32
56	34
58	36
60	38
62 or older	40

### ***Survivors Benefits***

The family of a deceased worker may be able to get survivors benefits, even though the deceased worker had fewer credits than are needed for retirement benefits.

Dependent children may get survivors benefits if the deceased worker had six credits in the three years before his or her death. Their benefits could continue until they reach age 18 (or age 19 if they are attending an elementary or secondary school full time).

A widow or widower caring for dependent children who are under age 16 or disabled also may be able to get benefits.

Contact us to find out how this situation affects you and your family.

## ***Medicare***

The Social Security credits you earn also count toward eligibility for Medicare when you reach age 65. You may be eligible for Medicare at an earlier age if you are entitled to disability benefits for 24 months or more. Your dependents or survivors also may be eligible for Medicare at age 65 or if they are disabled.

People who need kidney dialysis or a kidney transplant for permanent kidney failure may be eligible for Medicare at any age.

If you would like to have more information about Medicare, call Social Security and ask for the publication ***Medicare & You 2002*** (Publication No. CMS-10050) or look for it at ***www.cms.gov*** on the Internet.

## Not Everyone Earns Credits

Not all employees work in jobs covered by Social Security. Some of these employees are—

- most federal employees hired before 1984 (but since January 1, 1983, all federal employees pay the Medicare hospital insurance part of the Social Security tax);
- railroad employees with more than 10 years of service;
- employees of some state and local governments that chose not to participate in Social Security; or
- children under age 21 who work for a parent (except a child age 18 or over who works in the parent's business).

## What Social Security Can Mean To You And Your Family

### ***Protection For Your Family***

You probably know that contributions you and your employer make pay for Social Security benefits. But, did you know that Social Security is more than retirement. If you die, your spouse and dependent children may be eligible for benefits. Or, it can supply much needed financial help to you and your family if you become disabled. If you're a young person who has worked and paid Social Security taxes for as few as 18 months, it's possible that you may be eligible for disability benefits for you and your family.

The amount of your Social Security benefit depends on how much you earned, and it goes up automatically with the cost of living. Social Security is here to help you and your family. For more information about these benefits, contact us for the booklet, ***Understanding The Benefits*** (Publication No. 05-10024).

### ***You Can Work And Still Receive Retirement Benefits***

You can retire as early as age 62. But, you can continue to work and still get retirement benefits. If you're under full retirement age, there are limits on how much you can earn without losing some or all of your retirement benefits. These limits change each year. When you apply for benefits, we'll tell you what the limits are at that time and whether work will affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

Because of longer life expectancies, the full retirement age will gradually increase until it reaches age 67. This change starts in 2003, and affects people born in 1938 and later. To help you decide when is the best time for you to retire, contact us for a copy of the booklet, ***Retirement Benefits*** (Publication No. 05-10035).

## For More Information

Check our website at **[www.ssa.gov](http://www.ssa.gov)** for answers to many questions and for special services. You can download needed forms and publications, use our benefit planners for online financial planning or even apply for retirement benefits online. You also can call us toll-free at 1-800-772-1213. We can answer specific questions by phone from 7 a.m. until 7 p.m. on business days and provide information by automated phone service 24 hours a day. If you are deaf or hard of hearing, you can call our TTY number, 1-800-325-0778 between 7 a.m. and 7 p.m. on business days.

We treat all calls confidentially—whether they're made to our toll-free numbers or to one of our local offices. We also want to make sure you receive accurate and courteous service. That is why we have a second Social Security representative monitor some incoming and outgoing telephone calls.



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