



Social Security Benefits: How Much Will I Receive

Next to “When should I claim Social Security benefits?” one of the more common questions people have is “How much will I receive?”

Calculating your potential Social Security benefit is a three-step process:

1. **Calculate Your Average Indexed Monthly Earnings (AIME):** The highest 35 years of indexed earnings is added together. It is then divided by the number of months in 35 years to arrive at your AIME. (“Indexed earnings” is an adjustment made to historical earnings so that they reflect a current standard of living.)
2. **Determine Your Primary Insurance Amount (PIA):** AIME is subjected to a formula based on the year of first eligibility (age 62).
3. **Application Age:** The final calculation will be based on the age you apply for Social Security retirement benefits. For instance, if you apply at full retirement age, you will receive 100% of your PIA. If you apply for early benefits, your benefit will be less, and if you wait until after full retirement age your retirement benefit will exceed your PIA.

If this all sounds complicated, that’s because it is. However, the Social Security Administration calculates your personal benefits without you having to do any of the math.

When to take Social Security is a complex retirement decision that requires careful thought in order to maximize the benefit to you and your spouse. You should consider working with your financial advisor and accessing the resources at the Social Security Administration to help you make the decision that best meets your needs.

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