Social Security: Spring Into Retirement

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Here are a few important items about Social Security retirement benefits and how to apply for them.

When you work and pay Social Security taxes, you earn "credits" toward Social Security benefits. If you were born in 1929 or later, you need 40 credits (10 years of work) to qualify for retirement benefits. However, we base your payment amount on the highest 35 years of work.

We determine the amount of your benefit by both how long you work and how much you earn. The higher your lifetime earnings, the higher your monthly benefits. If there were some years when you did not work or had low earnings, your benefit amount may be lower than if you had worked steadily or earned more.

Your age at the time you start receiving Social Security retirement makes a difference in your benefit amount. The full retirement age (the age at which 100 percent of retirement benefits are payable) has been gradually rising from age 65 to age 67. You can take "early retirement" as early as age 62, but if you start collecting benefits before you reach your full retirement age, your monthly payment will be reduced. You can find out what your full retirement age is by referring to the convenient chart at www.socialsecurity.gov/retire2/retirechart.htm

Just as you can choose an early retirement and get a reduced payment, you also can choose to keep working beyond your full retirement age to take advantage of a larger payment. Generally, your benefit will increase automatically by eight percent each year from the time you reach your full retirement age until you start receiving your benefits or until you reach age 70.

The decision of when to retire is personal and depends on a number of factors. To help you weigh the factors, we suggest you read our online fact sheet, When To Start Receiving Retirement Benefits, available at www.socialsecurity.gov/pubs/10147.html.

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You also can set up an online my Social Security account. You can use your my Social Security account to obtain a copy of your Social Security Statement to check your earnings record and see future estimates of the retirement, disability, and survivor benefits you and your family may receive. Visit www.socialsecurity.gov/myaccount.

When you decide to retire, the easiest and most convenient way to do it is right from the comfort of your home or office computer. Go to www.socialsecurity.gov where you can apply for retirement benefits in as little as 15 minutes. In most cases, there are no forms to sign or documents to send; once you submit your electronic application, that's it! You're done!

Be sure to have your bank account information handy so you can receive your payments electronically. Electronic payment of federal benefits is now mandatory, with few exceptions.

Spring is a great time to turn a new leaf. Spring into retirement now! Learn more by reading our publication, Retirement Benefits, at www.socialsecurity.gov

Eight 2013 Tax Benefits for Parents

Your children may help you qualify for valuable tax benefits, such as certain credits and deductions. If you are a parent, here are eight benefits you shouldn't miss when filing taxes this year.

Dependents. In most cases, you can claim a child as a dependent even if your child was born anytime in 2012. For more information, see IRS Publication 501, Exemptions, Standard Deduction and Filing Information.

Child Tax Credit. You may be able to claim the Child Tax Credit for each of your children that were under age 17 at the end of 2012. If you do not benefit from the full amount of the credit, you may be eligible for the Additional Child Tax Credit. For more information, see the instructions for Schedule 8812, Child Tax Credit, and Publication 972, Child Tax Credit.

> Your children may help you qualify for valuable tax benefits

Child and Dependent Care Credit. You may be able to claim this credit if you paid someone to care for your child or children under age 13, so that you could work or look for work. See IRS Publication 503, Child and Dependent Care Expenses.

Earned Income Tax Credit. If you worked but earned less than $50,270 last year, you may qualify for EITC. If you have qualifying children, you may get up to $5,891 dollars extra back when you file a return and claim it. Use the EITC Assistant to find out if you qualify. See Publication 596, Earned Income Tax Credit.

Adoption Credit. You may be able to take a tax credit for certain expenses you incurred to adopt a child. For details about this credit, see the instructions for IRS Form 8839, Qualified Adoption Expenses.

Higher education credits. If you paid higher education costs for yourself or another student who is an immediate family member, you may qualify for either the American Opportunity Credit or the Lifetime Learning Credit. Both credits may reduce the amount of tax you owe. If the American Opportunity Credit is more than the tax you owe, you could be eligible for a refund of up to $1,000. See IRS Publication 970, Tax Benefits for Education.

Student loan interest. You may be able to deduct interest you paid on a qualified student loan, even if you do not itemize your deductions. For more information, see IRS Publication 970, Tax Benefits for Education.

Self-employed health insurance deduction - If you were self-employed and paid for health insurance, you may be able to deduct premiums you paid to cover your child. It applies to children under age 27 at the end of the year, even if not your dependent. See IRS.gov/aca for information on the Affordable Care Act.

Forms and publications on these topics are available at IRS.gov or by calling 800-TAX-FORM (800-829-3676).