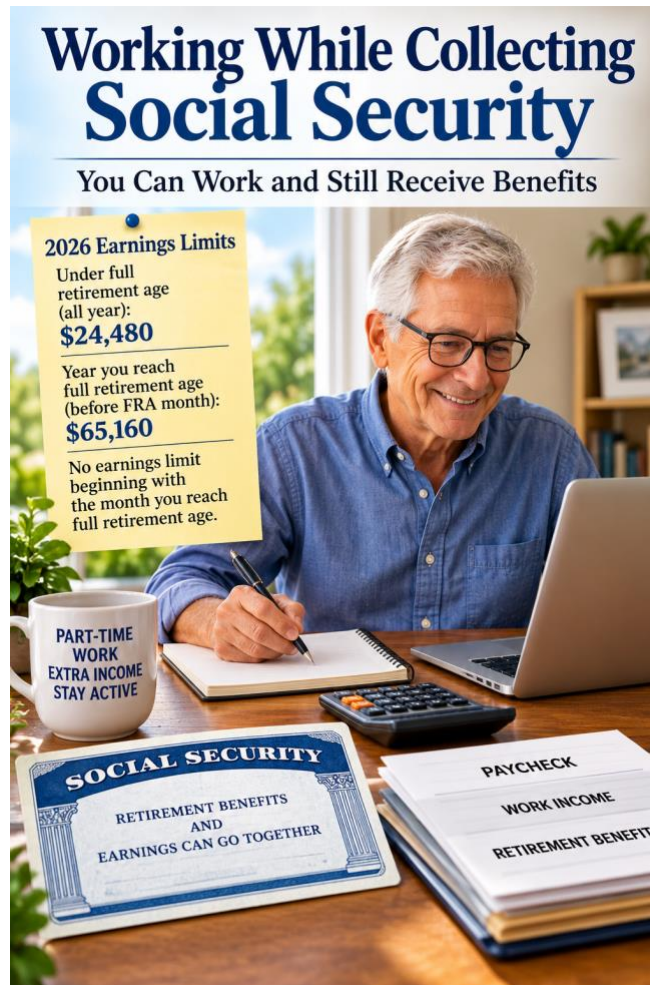




Working While Collecting Social Security

Retirement doesn't necessarily mean that you have to stop working. Many retirement-age people begin collecting Social Security and continue working full-time or part-time, while others retire and later decide to go back to work. You can earn wages and collect Social Security at the same time, but if you haven't reached full retirement age, the amount you earn can temporarily affect your benefits.

Full Retirement Age Makes the Difference

Your **full retirement age**, usually called FRA, depends on the year you were born. Once you reach it, you can earn as much as you want without your wages reducing your Social Security retirement benefit. Before FRA, however, Social Security applies an annual retirement earnings test.

The earnings test is sometimes misunderstood as a tax or penalty for working. It is neither. Instead, Social Security temporarily withholds part of your benefits when your earned income exceeds limits established for that year.

The 2026 Earnings Limit

If you are under full retirement age throughout 2026, you can earn as much as **\$24,480** without having benefits withheld. Above that amount, Social Security withholds \$1 in benefits for every \$2 you earn over the limit. For example, if you earned \$30,480, you would be \$6,000 over the limit, and \$3,000 in Social Security benefits would be withheld.

The rules become more generous during the calendar year in which you reach full retirement age. In 2026, you can earn as much as **\$65,160 during the months before you reach FRA**. Above that amount, Social Security withholds \$1 for every \$3 in excess earnings. Beginning with the month you reach full retirement age, there is no earnings limit at all.

Not All Income Counts

Social Security's earnings test applies to money you earn from working. It counts wages from a job and net earnings from self-employment, including such things as bonuses and commissions. It does **not** count pensions, annuities, investment income, interest, veterans benefits, or other government or military retirement benefits.

That's an important distinction for retirees. You might have income from Social Security, a pension, investments and an annuity without any of those sources triggering the retirement earnings test. Your wages or net self-employment earnings are what matter.

Withheld Benefits Aren't Simply Lost

Suppose Social Security withholds some of your checks because you exceeded the earnings limit. That money shouldn't be thought of as simply disappearing. When you reach full retirement age, Social Security recalculates your benefit and gives you credit for months in which benefits were reduced or withheld because of excess earnings.

Continuing to work can also increase your eventual monthly benefit. Social Security reviews the earnings records of working beneficiaries each year. If your latest earnings replace a lower year used in calculating your benefit, Social Security recalculates the benefit and pays any increase that is due.

A Special Rule Helps New Retirees

There is also a special rule for someone who retires in the middle of the year after already earning more than the annual limit. In 2026, a person who remains under full retirement age all year can generally receive a full Social Security check for a month considered retired if earnings that month are **\$2,040 or less** and the person doesn't perform substantial services in self-employment.

This prevents someone who earns a substantial salary during the first half of the year and retires in June, for example, from automatically losing Social Security benefits for the rest of the year simply because of money earned before retirement.

Work and Social Security Can Go Together

The basic rule is fairly easy to remember. Before full retirement age, pay attention to how much you earn from work. Beginning with the month you reach FRA, the earnings restriction disappears and you can work as much as you want without reducing your Social Security retirement benefit.

For many people, therefore, Social Security doesn't mark the end of working life. It can simply become another source of income while you continue to work as much—or as little—as you choose.