



IMPORTANT FACTS ABOUT SOCIAL SECURITY FOR 2007

Social Security

The cost of living adjustment for Social Security benefits for 2007 is 3.3%. The full retirement age for any employee wishing to retire in 2007 is 65 years and 10 months. Employees who were born in 1942 will turn 65 in 2007. The maximum Social Security benefit is going to go up to \$2,116 per month for a worker retiring at full retirement age.

While Social Security benefits are triggered when employees reach certain age thresholds, it is important to remember that, apart from a very limited number of exceptions, there is no longer a mandatory retirement age in the U.S.

As employers facing a labor shortage look to retired employees to help them fill their employment gap, please remember that in 2000, the Social Security law was amended to provide that when a person retires at full retirement age, whatever that age may be, there is no longer a limit on the amount of earnings that person can earn while retired.

On the other hand, the Social Security law treats people differently when an individual begins to collect Social Security before their full retirement age. As of 2007, the law allows someone to earn up to \$12,960 (an increase of \$480) per year while collecting Social Security. After that, the employee's Social Security benefit will be reduced at the rate of \$1 in benefits for every \$2 in earnings above the limit.

In the year the employee actually retires, an employee is allowed to earn up to \$34,440 (an increase of \$1,200) per year while collecting Social Security. After that the employee's Social Security benefit will be reduced at the rate of \$1 in benefits for every \$3 in earnings above the limit, until the employee reaches full retirement age.

If you have any questions about this information, please call your Human Resources Representative at 978-343-0048.

Human Resources Department

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