

10 Social Security insights all workers should know

Misunderstandings about Social Security can lead to costly mistakes that workers should avoid.

Drawing from Nationwide's 13th Annual Social Security Survey, these timely tips highlight important details every American should know now so they can make more informed decisions about when and how to file for Social Security retirement benefits.

Most Americans believe that the Social Security program will run out of money.

On average, Americans assume an additional 17 years remain before the Social Security Trust Fund will be depleted and 7 in 10 believe Social Security will run out of funding in their lifetime.¹ Yet as long as there are workers, money is flowing into the Social Security Trust Fund and will be paid out to beneficiaries. Unless Congress approves changes, benefit reductions are anticipated beginning in 2032.²

A 22% across-the-board benefit cut is likely by 2032.²

If Congress takes no action, current and future recipients will soon begin receiving less. Review your personalized statement at ssa.gov/myaccount and use it to assess the amount you may need to make up with outside savings.

If one spouse passes away, Social Security income could drop by as much as half.

However, if both spouses were receiving benefits, the surviving spouse can continue receiving the greater of the 2 benefit amounts.

Only 1 in 6 Americans can correctly identify the age at which they'll receive full benefits.¹

The age at which a worker is eligible to receive full benefits is their full retirement age (FRA). For individuals born in 1960 or later, their FRA is 67.

Choosing to delay filing leads to increased monthly benefits.

In fact, monthly benefits could increase by as much as 77%.³ The earliest a worker can file for benefits is age 62 — at a reduced level. But delaying until as long as age 70 increases monthly benefits. There aren't any added gains by delaying benefits past age 70.

15% (or more) of Social Security benefits are tax free.

Benefits are tax advantaged, potentially being income tax free for some lower-income recipients. Retirees of all income levels can benefit from planning strategies that consider how to optimize the tax efficiencies of Social Security.

2.4%

Social Security trustees project inflation adjustments averaging 2.4% per year through 2099.²

Benefits provide inflation protection before and throughout retirement.

Since 1975, the Social Security Administration has provided an automatic annual cost of living allowance tied to the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The adjustment applies to both those who are currently receiving benefits and for workers who have not yet filed. In rare cases in which deflation occurs, benefits remain level.

It's possible to work while receiving benefits.

However, a worker's age in relation to their designated full retirement age (FRA) matters. Those working prior to achieving their FRA probably won't receive the full amount of annual Social Security benefits, so it's important to understand the impacts and options of a phased retirement.

You can fix a filing mistake if you act quickly.

Only 1 in 3 Americans know you can withdraw your application within 12 months of first claiming benefits as long as you repay all benefits received.¹ Doing so could increase your benefit amount later.

Social Security benefits rarely provide enough income to live on.

For middle- to higher-income workers, Social Security replaces (on average) about 20% to 30% of the worker's pre-retirement income. To meet their remaining needs, retirees can consider income strategies that both last a lifetime and that can help keep up with rising expenses over a retirement of 30 years or more.



Consider this

No later than age 55, workers should consider planning their personalized Social Security filing strategy.



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¹ "The Nationwide Retirement Institute 2026 Social Security Survey," conducted by The Harris Poll on behalf of the Nationwide Retirement Institute. This online survey was conducted May 11 – June 4, 2026, among 1,823 U.S. adults age 18 or older.

² "The 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds," Social Security Administration (June 2026).

³ "This figure is based on an individual with a full retirement age (FRA) of 67, comparing early filing at age 62 and receiving reduced benefits of 70% of the FRA amount versus a delayed filing at age 70 and receiving credits equal to 124% of their FRA benefit."

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

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