



# How You Become Eligible For Benefits

[www.ssa.gov](http://www.ssa.gov)



## You must be fully insured to be eligible for retirement benefits

You currently have fewer than the 40 credits needed to become fully insured for retirement benefits. You can still earn credits and become fully insured if you work. We cannot pay you benefits if you don't have enough credits. This fact sheet will tell you more about earning credits to qualify for benefits and how the number of years you work and how much you earn affects the amount of your benefits.

## Earn 40 credits to become fully insured

You can earn up to four credits each year and each credit represents a certain amount of earnings. In 2020, the amount needed to earn one credit is \$1,410. You can work all year to earn four credits, or you can earn enough for all four in a much shorter length of time. If you earn four credits a year, then you will earn 40 credits after 10 years of work.

Each year the amount of earnings needed to earn one credit goes up slightly as average wages increase. The credits you earn remain on your Social Security record even if you change jobs or stop working. Learn more about credits at [www.ssa.gov/planners/credits.html](http://www.ssa.gov/planners/credits.html).

## Benefits are based on your highest 35 years of earnings

Although you need 10 years of work, or 40 credits, to qualify for Social Security retirement benefits, we base the amount of your benefit on your highest 35 years of earnings. If you do not have 35 years of earnings by the time you apply for retirement benefits, your benefit amount will be lower than it would be if you worked 35 years. Years with no earnings count as zeroes in the benefit calculation. Learn more at [www.ssa.gov/OACT/COLA/Benefits.html](http://www.ssa.gov/OACT/COLA/Benefits.html).



## How we calculate retirement benefits

Social Security bases your retirement benefits on your lifetime earnings. We adjust or “index” your actual earnings to account for changes in average wages since the year the earnings were received. Then we calculate your average indexed monthly earnings from your highest 35 years of earnings. We apply a formula to these earnings to determine the benefit amount you would receive at your full retirement age. Your full retirement age is 66 to 67, depending on the year you were born. However, there are factors that can change the amount of your retirement benefit. Your monthly benefits will be lower for life if you start them before your full retirement age (as early as age 62) or higher if you start them after your full retirement age (up to age 70). Learn more about how we calculate benefits at [www.ssa.gov/pubs/EN-05-10070.pdf](http://www.ssa.gov/pubs/EN-05-10070.pdf).



Securing today  
and tomorrow

### Questions?

To learn more about Social Security, visit [www.ssa.gov](http://www.ssa.gov).

Remember that Social Security is with you throughout life's journey:  
[www.ssa.gov/people/materials/pdfs/EN-05-10233.pdf](http://www.ssa.gov/people/materials/pdfs/EN-05-10233.pdf).