

RETIREMENTINCOME

Americans flunk basic Social Security quiz

Near-retirees lack knowledge on factors affecting retirement benefits

BY MARY BETH FRANKLIN

NEAR-RETIRES STILL have a lot to learn about Social Security retirement benefits and may be leaving money on the table, according to a new consumer poll released last Tuesday by Massachusetts Mutual Life Insurance Co.

Nearly half (47%) of Americans age 50 or older failed a basic five-question true-or-false quiz on

Social Security retirement benefits. Three years ago, when MassMutual surveyed the nation with a broader 10-question true-or-false quiz, 62% of respondents age 50-plus failed.

This year's survey was conducted in March via an online survey among 1,007 Americans 50 or older. The previous survey, also online, was conducted in February and March 2015 among 1,513 American adults. A failing score is 60% or lower.

"There's improvement, but the scores are still alarming," said Mike Fanning, head of MassMutual U.S. "For many, thousands of dollars could be left on the table at a time when it really counts."

Another recent survey by the Nationwide Retirement Institute produced similarly dismal results about near-retirees' lack of knowledge about the nation's retirement system. In the Nationwide survey,



nearly nine in 10 respondents age 50 or older did not know which factors determine the maximum Social Security benefit an individual can receive.

Social Security benefits are based on the top 35 years of indexed earnings. Every year someone continues to work — even after full retirement age or after claiming

benefits — the Social Security Administration continues to review his or her earnings record. If current earnings are higher than earnings in one of the previous years used in the benefit calculation, future benefits could increase. Only earnings up to the annual taxable wage base — currently \$128,400 — count toward future benefits.