

Social Security Administration

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Military Service And Social Security

The earnings for active duty military service or active duty training have been covered under Social Security since 1957. Inactive duty service in the armed forces reserves (such as weekend drills) has been covered by Social Security since 1988. However, people who served in the military before 1957 did not pay into Social Security directly, but their records are credited with special earnings for Social Security purposes that count toward any benefits that might be due them. Additional earnings credits are given to military personnel depending on when they served. This factsheet explains how and when these special earnings are credited and provides other information military personnel need to know about the benefits available from Social Security.

Social Security And Medicare Taxes

While you're in military service (from 1957 on), you pay Social Security taxes like civilian employees do. Those taxes are deducted from your pay and the U.S. government as your employer pays an equal amount. In 2001, the tax rate is 7.65 percent up to a maximum of \$80,400. If you earn more, you continue to pay the Medicare portion of the tax (1.45 percent) on the rest of your earnings. Remember, the contributions you and your employer make go to pay for Social Security and Medicare benefits.

How You Earn "Credits"

To qualify for benefits, you earn "credits" through your work--up to four each year. This year, for example, you earn one credit for each \$830 of wages. When you've earned \$3,320, you've earned your four credits for the year. The amount needed for each credit will increase in future years to reflect increases in average wages. The number of credits you need to qualify for Social Security depends on your age and the type of benefit you might be eligible for. No one needs more than 40 credits (10 years of work or military service) to be eligible for Social Security.

Extra Earnings And Credits

Your Social Security benefit depends on your earnings averaged over your working lifetime. Generally, the higher your earnings, the higher your Social Security benefit.

Under certain circumstances, special earnings can be credited to your military pay record for Social Security purposes. The extra earnings credits are granted for periods of active duty or active duty for training. These extra earnings may help you qualify for Social Security or increase the amount of your Social Security benefit. (No additional earnings are granted for inactive duty training, and Social Security cannot add extra earnings credits to your earnings record until you file for Social Security benefits.)

Additional earnings are granted for:

Service In 1978 And Later

For every \$300 in active duty basic pay, you are credited with an additional \$100 in earnings up to a maximum of \$1,200 a year. If you enlisted after Sept. 7, 1980, and didn't complete at least 24 months of active duty or your full tour, you may not be able to receive the additional earnings. Check with Social Security for details.

Service In 1957 Through 1977

You are credited with \$300 in additional earnings for each calendar quarter in which you received active duty basic pay.

Service In 1940 Through 1956

If you were in the military during this period, including attendance at a service academy, you did not pay Social Security taxes. However, your Social Security record may be credited with \$160 a month in earnings for military service from Sept. 16, 1940, through Dec. 31, 1956, under the following circumstances:

- you were honorably discharged after 90 or more days of service, or you were released because of a disability or injury received in the line of duty; or
- you are still on active duty; or

- you are applying for survivors benefits and the veteran died while on active duty.

You cannot receive these special earnings credits if you're receiving a federal benefit based on the same years of service. There is one exception to this rule: if you were on active duty after 1956, you can still get the special earnings for 1951 through 1956, even if you're receiving a military retirement based on service during that period.

Your Benefits

Did you know that Social Security is more than retirement? If you die, your spouse and dependent children may be eligible for benefits. It also can supply much needed financial help to you and your family if you become disabled. If you're a young person who has worked and paid Social Security taxes for as few as 18 months, it's possible that you may be eligible for disability benefits for you and your family.

Your Social Security benefit amount depends on how much you earned, and it goes up automatically with the cost of living. For more information about these benefits ask us for this booklet, [Understanding The Benefits](#) (Publication No. 05-10024).

When you apply for Social Security benefits, you'll be asked for proof of your military service (DD Form 214) or information regarding your reserves or National Guard service.

If You Get Both Social Security And Military Retirement

Generally, you'll get your full Social Security benefit based on your earnings. However, your Social Security benefit may be reduced if you also receive a government pension based on a job in which you didn't pay Social Security taxes. Ask us for this factsheet, [A Pension From Work Not Covered By Social Security](#) (Publication No. 05-10045)

Social Security survivors benefits may affect benefits payable under the optional Department of Defense Survivors Benefit Plan. Check with the Department of Defense or your military retirement advisor for more information.

If Your Child Gets SSI

SSI pays monthly benefits to people with low incomes and limited assets who are age 65 or older or blind or disabled. If you have a child who gets SSI, those payments may continue if you're stationed outside the United States (including Puerto Rico and U.S. territories and possessions) while in military service and the child lives with you. Your child must have received SSI the month before you reported for duty.

When You're Eligible For Medicare

If you have health care protection from the Department of Veterans Affairs (VA) or under the CHAMPUS or CHAMPVA program, your health benefits may change or end when you become eligible for Medicare. You should contact the VA, the Department of Defense or a military health benefits advisor for more information.

What Social Security Can Mean To You And Your Family

Work And Get Retirement Benefits

You can retire as early as age 62. But, you can continue to work and still get retirement benefits. If you're under your full retirement age, there are limits on how much you can earn without losing some or all of your retirement benefits. These limits change each year. When you apply for benefits, we'll tell you what the limits are at that time and whether work will affect your monthly benefits. When you reach your full retirement age, the earnings limits no longer apply.

Because of longer life expectancies, the full retirement age will gradually increase until it reaches age 67. This change starts in 2003, and affects people born in 1938 and later. To help you decide when is the best time for you to retire, ask us for this booklet, [Retirement Benefits](#) (Publication No. 05-10035).

Your Future With Social Security

Some people are concerned that Social Security won't be there in the future. Of course it will--it's an important part of your future financial planning and your benefits will help maintain your standard of living. But changes are needed to meet the demands of the times. There will be fewer workers paying benefits and the percentage of older Americans will greatly increase. For more information about the

present and what may lie ahead, ask us for this booklet, [Basic Facts](#) (Publication No. 05-10080)

For More Information

Check our website at http://www.ssa.gov/SSA_Home.html for answers to many of the questions you may have about Social Security, or to apply for retirement benefits online. You also may call us toll-free at **1-800-772-1213** . We can answer specific questions by phone from 7 a.m. until 7 p.m. on business days and provide information by automated phone service 24 hours a day. If you are deaf or hard of hearing, you may call our TTY number, **1-800-325-0778** between 7 a.m. and 7 p.m. on business days.

We treat all calls confidentially--whether they're made to our toll-free numbers or to one of our local offices. We also want to ensure that you receive accurate and courteous service. That's why we have a second Social Security representative monitor some incoming and outgoing telephone calls.