

Social Security Benefits: Your Questions about Social Security Credits

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Q: According to Social Security, I haven't obtained enough credits to be eligible for benefits. How do these credits work, and how is it possible for me to not have enough when I have worked for years and paid taxes the whole time?

A: When you work and pay Social Security taxes, you earn credits that are used to qualify you for social security benefits. The number of credits you receive is based on both income and the number of years worked. The necessary income level for receiving social security benefits credits rises a bit each year; as of 2008, you receive one credit for every \$1,050 you earn. You can receive a maximum of four credits annually (which is why credits are also called quarters), and any credits you earn will remain on your record even during periods in which you're not working.

A certain number of credits or quarters are required in order to qualify you to receive social security benefits. The number of credits you need for social security is based on your current age, and is calculated by the number of years you have worked. If you're looking to be eligible for social security benefits for retirement (and are of more than 62 years of age), you will need to have 40 credits (the equivalent of 10 years of work).

It does occur, however, that a person of retirement age who has worked for what seems to be the correct number of years does not have enough credits to qualify him or her for social security benefits. This occurs to workers who, during their working careers, did not (or do not) have social security taxes taken out of their wages. This situation mostly occurs among Federal employees hired before 1984, railroad employees with ten years or more of service, and state and local government employees whose employers do not participate in social security.

About the Author

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