



## Early Social Security filing strains system

By [Marcus K. Garner](#)  
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On his 62nd birthday last October, three years ahead of retirement, Terry Lee filed for early Social Security benefits. The Stone Mountain man earlier had taken a buyout from BellSouth. He was working odd jobs.

"I needed it," Lee said while manning a polling station for Tuesday's gubernatorial primary runoffs.

One of the most striking fall-outs from the bad economy is this: Social Security is facing its first shortfall this year as a wave of people such as Lee opt to collect payments before their full retirement age. Adding to the strain on the trust are reduced tax collections sapped by the country's historic 9.5 percent unemployment. Lee is one of 2 million who filed ahead of their retirement age.

As Social Security approaches its 75th anniversary -- President Franklin D. Roosevelt signed the bill into law on Aug. 14, 1935 -- 2.74 million people filed for benefits in 2009, more than any year in history.

Jason Fichtner, an associate commissioner at the Social Security Administration, said the weak economy has led more people who lost their jobs to retire early, this coming as the full Social Security retirement age rose last year from 65 to 66.

There still are people hard-hit by the recession who are in need of a bigger paycheck to push back retirement and stay in the work force longer.

"But we're seeing more people taking early benefits than staying in the work force longer," Fichtner said.

That was an increase from 1.7 million early applicants in 2008, according to Social Security Administration spokeswoman Patti Patterson.

In the nine-county area that makes up metro Atlanta, the number of early applicants rose by nearly 10,000 from 2008 to 2009, The Atlanta Journal-Constitution has learned.

"I think the economy has contributed to the number of filers," Patterson said.

In the recently released annual report of the Social Security program, the trustees said that pension and disability payments will exceed revenues for this year and 2011, reflecting the deep recession. The report forecast that the program would return to the black in 2012 through 2014, but that benefit payments will again exceed tax collections in 2015. For every year after 2015, the report projects that Social Security will be paying out more than it receives in tax collections as 78 million baby boomers begin retiring.

The trustees did not focus on the growth of early retirees in their report, as they don't expect the early retirees to significantly drain funds over the long term. Early opt-ins receive smaller monthly checks so that they aren't projected to receive any more money over a lifetime than they would if they had waited to collect Social Security until their full retirement age.

People entitled to full benefits at 66 would receive 75 percent of their check if they began collecting four years early. Conversely, if they waited until they turned 70, collecting four years late, they would earn 32 percent more. They would receive the decreased -- or increased -- percentages for the rest of their life.

"From the trustee' perspective, it's a wash, because they calculate you'll get the same benefit," said Maria Freese, director of government relations and policy at the National Committee to Preserve Social Security and Medicare.

Ed Van Herik, 62, and a retired journalist and now AARP communications consultant, said he retired in at 59 when the company he worked for in California made unwelcome changes.

"Professionally, I didn't think it would be good for me to stay there," he said.

With family in the Atlanta area, Van Herik moved here and was working part-time when the economy bottomed out. Van Herik works 20 to 30 hours as that AARP consultant, hoping to hold out until he can draw full Social Security benefits.

"I'd planned to take Social Security at 62, but the stock market crash affected my plans so that I reassessed everything," he said.

The Associated Press contributed to this article.

### **How to keep it stable**

Social Security is financed by a 6.2 percent payroll tax on wages below \$106,800. The tax is paid by workers and matched by employers. What are some of possible solutions for keeping it solvent?

- Social Security could be on more solid footing for another 75 years if payroll taxes were increased by about 1 percentage point for both workers and employers, according to the Senate Special Committee on Aging.
- It might also help if Congress started taxing all wages, not just those below \$106,800, as is the case now.
- About 23 percent of the shortfall could be gone if Congress gradually increased the full retirement age from 67 to 68, according to the Senate committee.
- Nearly a third of the shortfall could disappear if the full retirement age was increased to 70, as House Republican Leader John Boehner of Ohio recently suggested.

The Associated Press

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