

Why Open a *my* Social Security Account?

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–Elaine Floyd, CFP®

You might assume it's safer to keep your personal details—especially your Social Security number—off the internet. Actually, setting up a *my* Social Security account is an important step toward protecting your benefits.

We've all heard warnings not to give out our Social Security numbers anywhere—not on the phone, not online. So it might seem counterintuitive to set up an online account for managing your Social Security benefits. However, this is the exception, and here's why.

I encourage everyone to go to ssa.gov/myaccount and open a *my* Social Security account. This is not just for people who are close to retirement. Everyone should open their own account with SSA—before someone else does.

Defense against fraudsters

One woman reported that when she tried to open her *my* Social Security account, she was told that an account had already been opened under that Social Security number. The security questions used to establish her identity were not questions she would have chosen. There are numerous other chilling stories about hackers applying for benefits using stolen Social Security numbers. The best defense against someone else opening an account or applying for benefits under your number is to open your own account and check

it often. This is especially true for anyone over full retirement age who has not yet applied for benefits.

In “Social Security benefits hacked: A cautionary tale,” a financial advisor who had planned to file for benefits at age 70 received a letter one month after turning 67 congratulating him on initiating his Social Security benefits. It turns out a thief had applied for benefits using his Social Security number and made off with over \$19,000 in benefits before it was discovered. The thief had applied for benefits online using his Social Security number but a different email address, phone number, and bank. Because the online application would not allow the mailing address to be changed, the letter went out to the owner of the Social Security number and that's how the author discovered the fraud.

So the first reason to open a *my* Social Security account is to do it before someone else does. The second reason is to make sure someone else isn't receiving benefits under your number. By opening an account and checking back fairly regularly, you can monitor activity. If you are over full retirement age but haven't applied for benefits yet, be especially watchful. It seems

the fraudsters are waiting until people turn 66 ½ and applying at that time so they can get six months of retroactive benefits in a lump sum.

Safe and easy

If you are worried about online security, the *my* Social Security account website seems to be very secure. It requires a user name and strong password that must be changed every six months. Each login requires a unique code sent by text or email. For an extra layer of protection people can set it up to require answers to financial or identity verification questions. *Not* setting up a *my* Social Security account is the riskier option.

After the 2017 Equifax hack, you may have been advised to freeze your credit files. If you have done this, you will need to lift the freeze long enough to open the *my* Social Security account, since SSA accesses users' credit files to verify their identity. This is easy enough to do (providing you saved your PIN). The credit inquiry by SSA comes up as a "soft" inquiry which does not affect a person's credit score.

What you can do with your account

Once the account is set up, you can access your latest Social Security statement on demand. This is important for anyone under age 60 who will not receive

a statement in the mail, or for anyone over 60 who may have misplaced their paper statement. The primary insurance amount (PIA) on your statement is critical for analysis and planning.

If you are still working, check your earnings record each year—employers usually report by March or so. Those currently receiving benefits can see the record of payments and the breakdown of each payment: gross amount and deductions for Medicare premiums and taxes. You can also download a benefit verification letter, which serves as proof to lenders or anyone else requiring evidence of income that you receive Social Security benefits in the amount shown on the letter.

As you may know, new Medicare cards have a unique Medicare number to replace the Social Security number that appears on the old cards. You can also find this on your *my* Social Security account.

If you have any questions or need help setting up your account, we're happy to help. Talk to a financial advisor about the best Social Security claiming strategy for your situation.

Elaine Floyd, CFP®, is Director of Retirement and Life Planning for Horseshmouth, LLC, where she focuses on helping people understand the practical and technical aspects of retirement income planning.

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