

When Should I Start My Social Security Retirement Checks?

In **1993**,
the average
retirement age was

57



• ————— • TODAY,

it's **62**

Americans are living longer, working longer and retiring later. Unfortunately, some of us haven't saved much. "The average working household has virtually no retirement savings," says the [National Institute on Retirement Security](#). You might need Social Security to stay afloat in old age. That means the decision about when to claim your benefits is a decisive one.

MORE IS BETTER

The size of the Social Security check you'll receive is the result of your earnings record and your age when you start taking benefits. Your "full retirement age," when you've earned 100% of those benefits, is 66 to 67, depending on when you were born. Collect early, before full retirement age, and you'll pay a penalty—you'll receive a smaller check.

WAIT IF YOU CAN

The choice of your start date locks in the size of your checks. Some Americans grab Social Security as soon as they can. For widows and widowers, that's at age 60. For everyone else, it's 62, which has been and still is the most popular

age to start benefits, [according to U.S. News & World Report](#).

That's changing, however. In 2013, [The Urban Institute](#) found 12% fewer Americans starting Social Security at 62 than a decade before.

If you hold off filing until after full retirement, your checks earn a bonus of 8% a year. The longer you wait, the bigger your benefit becomes until age 70. After 70, there's no benefit to waiting longer.

Waiting makes sense, if you're healthy and your family tends to live long. A \$2,000 benefit, for example, becomes \$2,640 if your full retirement age is 66 and you wait four more years.

A quarter of today's 65-year-olds will live past 90, the Social Security Administration says. You may need those checks for a long time.

Rule of Thumb #1:
For every month you file
before your full retirement
age, your benefits are
reduced by about a half
percent—for life.

TRADEOFFS

Here is a hypothetical example of the pros and cons for someone eligible for \$750 a month at 62 who waits and claims benefits at 70:

Rule of Thumb #2:
For every year you wait to take Social Security between your full retirement age and age 70, you'll get an increased benefits bonus—for life.

Pros:

- At 70, your monthly checks are \$1,320–\$570 more a month for life.
- After breaking even between age 80 and 81, your total earnings are greater each year compared with taking benefits at 62.
- At 83, your total Social Security earnings are \$16,920 more than if you'd begun at 62; at 85, you'll have \$30,600 more; and by 90, you'll have \$64,800 more.

Cons:

- You wait longer to get checks.
- You get fewer checks, overall.
- You lose money if you die before breaking even, in roughly 10 1/2 years or age 80 1/2.

Calculate your Social Security benefits and talk to your financial advisor today.
For more information, visit the Social Security Administration website—www.ssa.gov.

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