When to claim Social Security

To get the most out of your benefits, start by knowing the basics.

You’ve been paying into the Social Security system for your entire career. When it’s your turn to retire, you need to be aware of the factors that determine how much money you can expect to receive in Social Security payments for the rest of your life.

When to claim this valuable benefit is a very important decision. In fact, the decision of when to begin collecting benefits can play a role in the decision.

When you start collecting social security benefits, the amount of money you can expect to receive in social security grows, depending on whether you claim your benefits before or after your full retirement age.

Social Security retirement age1

<table>
<thead>
<tr>
<th>Age 62</th>
<th>Age 66</th>
<th>Age 70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired workers</td>
<td>$1,282</td>
<td>$2,663</td>
</tr>
<tr>
<td>Widow(er)</td>
<td>$1,276</td>
<td>$2,372</td>
</tr>
<tr>
<td>Spouse</td>
<td>$673</td>
<td>$1,199</td>
</tr>
</tbody>
</table>

The least you need to know to get the most out of Social Security

The power of patience

The longer you wait, the more money you will get.

If you claim your benefits as early as you can—at age 62—you will permanently reduce payments to you and your spouse. It’s often better to wait and tap other savings if you need it. Then Social Security can fund a larger portion of your retirement for the rest of your life.

How much can delaying increase your monthly benefits?

$1,850 + $481 = $2,331

For example, if you claim at age 62 instead of age 66, your payments would be lower by $481 per month.

Building your understanding

In your 30s: Start getting used to the idea that your full Social Security retirement age is 67. Not 65. Not 66.

In your 40s: Get familiar with your Social Security statement, available online at SSA.gov.

In your 50s: Start thinking about your Social Security strategy and the amount you can expect to receive.

In your 60s: It’s time to finalize your strategy and put it into effect.

What you can do

Determine your full retirement age based on your birth year at www.ssa.gov.

Know the factors that may affect your monthly payments.

Understand Social Security claiming strategy. Visit the NetBenefits.com library to read more.

1 Social Security Administration. 2016 Annual Statistical Supplement. 2016, p. 63

2 This is a hypothetical example of someone whose full retirement age is 66 + 2 months, and whose final salary is $55,000. This example assumes the person is not working in retirement. Sample benefits do not reflect annual cost-of-living adjustments or taxes. Had taxes been taken into account, the amounts would have been lower.

3 Social Security Administration. 2014 Annual Statistical Supplement. This is a hypothetical example of someone whose full retirement age is 66 + 2 months, and whose final salary is $55,000. This example assumes the person is not working in retirement. Sample benefits do not reflect annual cost-of-living adjustments or taxes. Had taxes been taken into account, the amounts would have been lower.