

Social Security

When Should You Start Receiving Retirement Benefits?



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At your full retirement age?

Age 66-67



Before your full retirement age?

As early as age 62



After your full retirement age?

As late as age 70



Why Is It an Important Decision?

- When you claim benefits can significantly affect your overall retirement income
- If you're married, timing can also affect spousal/survivor income

There's no one-size-fits-all answer.
It's a personal decision.



What Should You Consider?

- Your full retirement age and benefit calculation
- Amount of your future benefit and effect of early or delayed retirement
- How long you expect retirement to last based on life expectancy
- Whether you plan to continue working
- Other sources of retirement income
- Income taxes
- How your spouse might be affected

What Is Your Full Retirement Age?

Your full retirement age is the age at which you can receive a full (unreduced) Social Security retirement benefit.

Year of birth	Full retirement age
1943–54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 & later	67

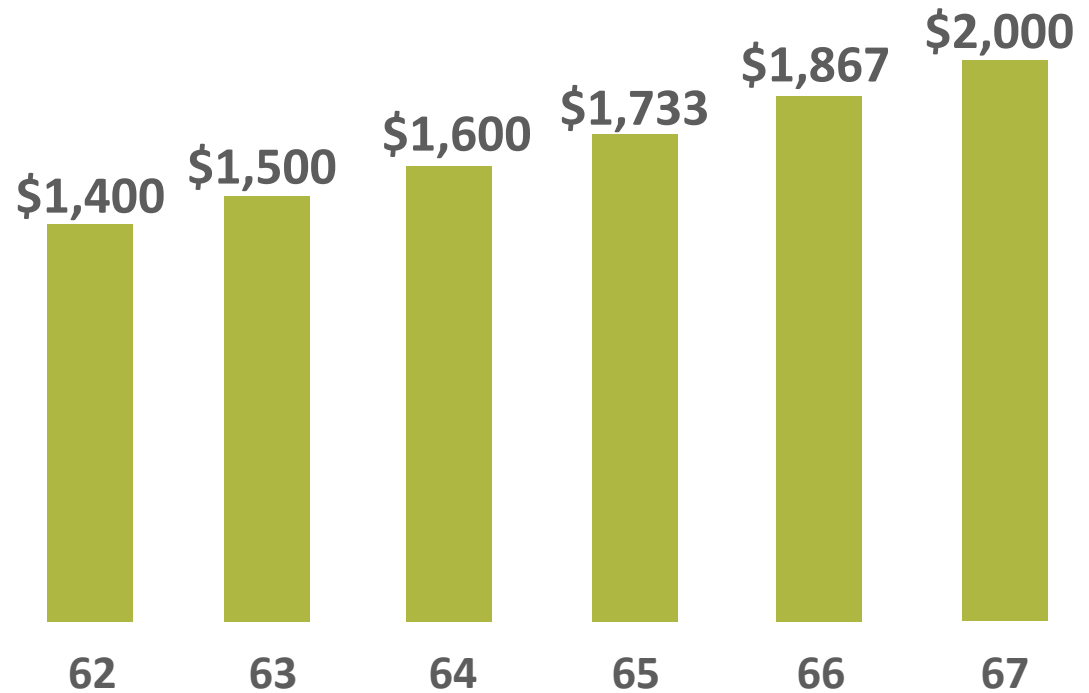
How Is Your Benefit Calculated?

As you approach retirement age, your highest 35 years of earnings are indexed, then averaged, and a formula is applied to determine your benefit at full retirement age.



How Much You'll Receive: Claiming Benefits Earlier

- Can start benefits as early as age 62
- Benefit reduction — you'll receive 25% to 30% less at 62 than at full retirement age
- Benefits received for a longer period of time



These are hypothetical examples of mathematical principles based on Social Security Administration rules and are meant for illustrative purposes only.

How Much You'll Receive: Claiming Benefits Later

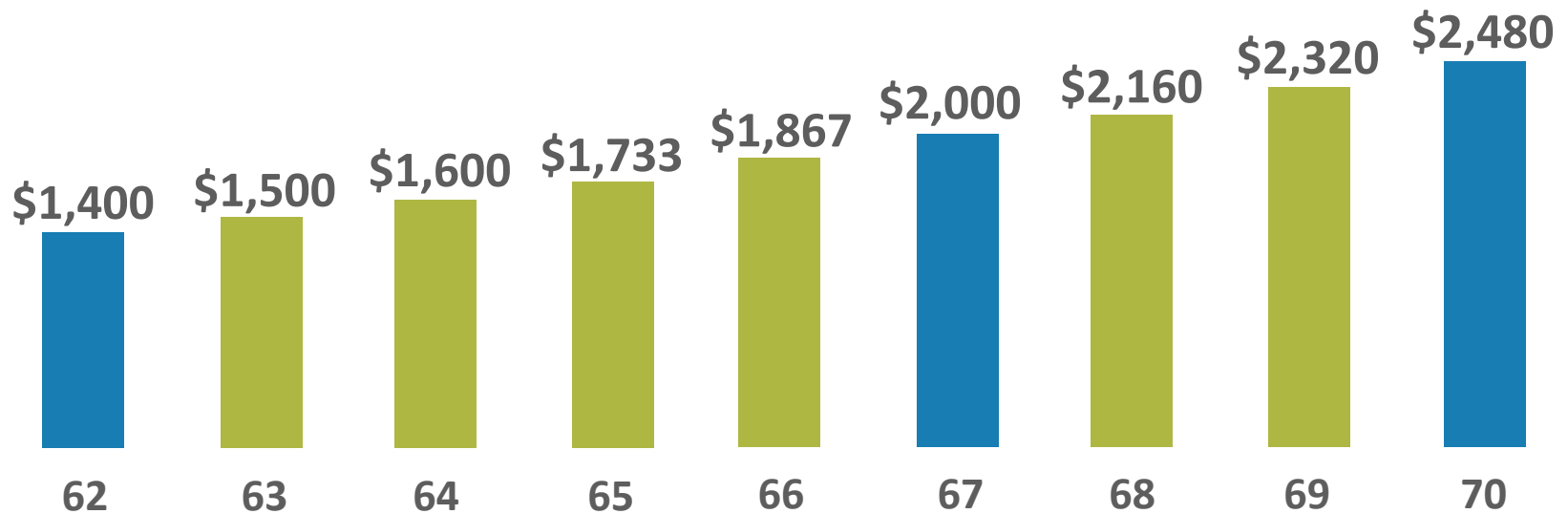
- You receive delayed retirement credits, up until age 70
- Benefit is increased 8% for each year you postpone receiving benefits past full retirement age



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Monthly Benefit Comparison: 62, 67, 70

- Benefit at age 70 is 77% more than benefit at age 62
- But cumulative benefits from age 62 to 70 equal \$134,400



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How Long Will Retirement Last?

According to the SSA,

1 in 3 retirees will live until at least **age 90**

and **1 in 7** will live until at least **age 95**.



Do You Plan to Continue Working?

Are you under full
retirement age?



Earnings from a job will reduce your
Social Security benefit.

Have you reached full
retirement age?



Earnings from a job will not reduce your
Social Security benefit.

How Working Affects Benefits

**Before full
retirement age**



**\$1 withheld for every \$2
that earnings exceed annual
limit — \$19,560 in 2022**

**Year you reach full
retirement age**



**\$1 withheld for every \$3
that earnings exceed annual
limit — \$51,960 in 2022**

**At or after full
retirement age**



**Earnings will not affect
your benefit**

What Retirement Income Will You Have?



Social Security



Savings and
Investments



Job Earnings



Pension
Benefits

Will Your Benefit Be Taxable?



Up to 50% of benefit may be taxable if your combined income* is:

\$25,000 to \$34,000 and you file as single

\$32,000 to \$44,000 and you file as married filing jointly



Up to 85% of benefit may be taxable if your combined income* is:

Over \$34,000 and you file as single

Over \$44,000 and you file as married filing jointly

*Combined income = adjusted gross income + nontaxable income + $\frac{1}{2}$ of Social Security benefit income

How Will Your Decision Affect Your Spouse?

- How can you maximize household and survivor income?
- What's the appropriate combination of claiming ages?



Retirement/Spousal Benefits

- Retirement benefits are based on your earnings record — at full retirement age you're entitled to receive 100% of your full retirement benefit
- Spousal benefits are based on your earnings record — as much as 50% of your full retirement benefit if your spouse claims at his or her full retirement age
- Reduction for filing for spousal benefits early — spouse can't file until retired worker files



Survivor Benefits

- Surviving spouse generally receives the greater of the retirement benefit the worker was receiving or his or her own benefit
- Survivor benefits may be payable as early as age 60, subject to reduction



The Power of Delaying Benefits

	Age 62 monthly benefit	Age 67 monthly benefit	Age 70 monthly benefit
Spouse 1	\$1,680	\$2,400	\$2,976
Spouse 2	\$1,397	\$1,996	\$2,475
Total joint monthly income	\$3,077	\$4,396	\$5,451

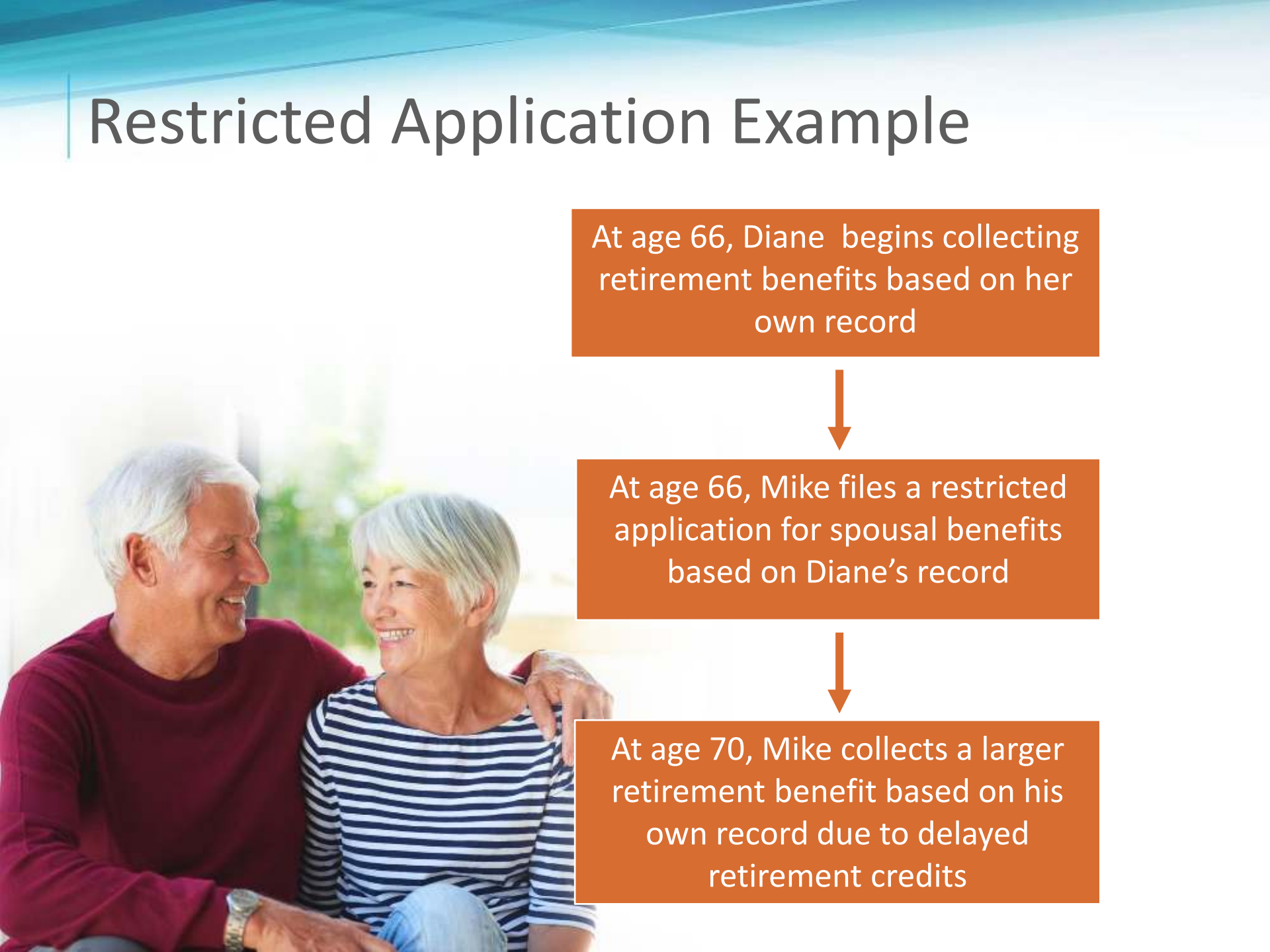
- Monthly joint income is \$2,374 more if both spouses claim benefits at age 70 instead of at age 62
- Monthly survivor benefit for Spouse 2 also increases

Restricted Application Strategy

- Potentially available to those who were born on or before January 1, 1954
- Allows you to collect spousal benefit, then later collect own worker benefit if certain requirements are met



Restricted Application Example

A photograph of an elderly couple sitting outdoors. The man, on the left, has white hair and is wearing a maroon sweater. The woman, on the right, has short white hair and is wearing a blue and white striped shirt. They are both smiling and looking at each other. The background is a bright, out-of-focus outdoor setting.

At age 66, Diane begins collecting retirement benefits based on her own record



At age 66, Mike files a restricted application for spousal benefits based on Diane's record



At age 70, Mike collects a larger retirement benefit based on his own record due to delayed retirement credits

The Choice Is Yours

You may decide to claim benefits **earlier** if:

- You need Social Security income right away
- You want to invest your monthly benefit
- You want to delay having to take funds from other retirement vehicles
- Your spouse wants to delay claiming benefits

You may decide to claim benefits **later** if:

- You want a higher monthly retirement benefit
- You want to maximize survivor income
- You plan to work longer
- You're able to file for spousal benefits first, then switch to your own benefit later

Contact the Social Security Administration

- ✓ Get benefit estimates and a copy of your Social Security Statement at [socialsecurity.gov](https://www.socialsecurity.gov)
- ✓ Contact the Social Security Administration to discuss your options
- ✓ Apply online, by phone, or in person



Thank You



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