

When to start receiving Social Security?



Have you seen the trendy videos about starting Social Security income at age 62? How about article after article from “experts” explaining how to maximize your benefits by deferring to age 70? Have you seen any prompting you to begin at your FRA (Full Retirement Age) as determined by Congress? What is the right answer? See below!

For many people deciding when to start Social Security comes at a critical time and this financial decision is irrevocable¹.

There is no one-size fits all answer, so let's review.

Why start at age 62?

Selecting to begin benefits at age 62 could be considered for people who:

- do not need the income but instead want to invest the proceeds with the expectation that the investment will generate more growth than the Social Security benefit would grow, offsetting the lesser benefit
- need the income as early as possible
- have a spouse that is still working
- do not have a long life expectancy

Why wait until Full Retirement Age (FRA)?

Selecting to begin benefits at your FRA (typically 66-67 depending on when you were born), you will receive 100% of your earned benefit. In addition, at FRA, you can earn as much as you want and not cause a reduction to your benefit.

Why defer to latest age 70?

Selecting to begin benefits at age 70 could be considered for people who:

- have sufficient income up to age 70
- have a long life expectancy
- want to maximize the monthly benefit from Social Security

Is it that simple? No.

We use our client's custom built comprehensive financial plan to map out the alternatives, and then we review the client's situation and economic factors at least annually until the decision to start social security is made.

It could be that investment returns are in excess of averages and cash needs for the next year could be met with these funds and Social Security benefits could be allowed to continue to grow at the current rate of 8% per year after full retirement age until age 70.

Seeing the impact of social security benefits within your own personalized financial plan can help you determine when to start receiving.



If you or someone you care about is considering starting social security benefits, please contact our office to discuss before making this important decision.

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¹ You may withdraw your Social Security Benefit application within twelve months and repay the benefits paid to allow you to apply at a later age.

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