

# Carefully Consider Social Security Decisions

Your Social Security benefits can be an important part of your retirement income — but when should you start collecting them? It's a big decision, so you'll want to consider your options carefully.

Essentially, you'll need to decide whether you're going to take your benefits as early as possible — age 62 — or if you should wait until your “full retirement age” or even longer. If you begin accepting benefits at 62, they'll be about 30% lower than if you waited until your full retirement age, which is 67 if you were born in 1960 or later. And if you wait until 70, your benefits will be about 24% higher than at your full retirement age.

In deciding when to claim benefits, you'll want to weigh these factors:

- *Income needs* — If you need the money to help meet your daily cost of living, then you may not feel you have much of a choice about when to take Social Security. However, if you have sufficient income from other sources, such as your 401(k) or other retirement accounts, you may be able to delay taking benefits until they're much larger.

- *Employment* — If you're still working and you haven't reached your full retirement age yet, it might be a good idea to wait before claiming Social Security because your benefits will be reduced by \$1 for every \$2 earned above \$23,400. In the year in which you reach your full retirement age, your benefits will be reduced by \$1 for every \$3 earned above \$62,160. (But once you reach your full retirement age, Social Security will adjust your payments to credit you for the months during which your benefits were lowered because of your income.)

- *Life expectancy* — None of us can say for certain how long we'll live — but you may have some hints. For example, if you have a family history of longevity, and

you're in good health, you might decide it makes sense to delay taking Social Security until your full retirement age, or even later, as you could potentially have more years of receiving larger checks.

- *Spouse* — If you're married, decisions about when to claim benefits could affect you or your spouse. The spouse with lower Social Security payments may be eligible to receive spousal benefits, which, when combined with their own benefits, can reach up to 50% of the higher-benefit spouse's payment at their full retirement age. To qualify, the lower-benefit spouse's benefit at their full retirement age must be less than half of the other spouse's full-retirement-age benefit. But if the lower-benefit spouse claims their benefits before their full retirement age, their own retirement benefit and the spousal benefit will be reduced. Also, the lower-benefit spouse reaches their maximum benefit amount at their full retirement age — they won't receive additional benefits even if they or the higher-benefit spouse delays taking benefits past their respective full retirement ages.

One other point to keep in mind: If the higher-benefit spouse claims early, the survivor benefit to the other spouse is reduced, but if the higher-benefit spouse delays their benefit beyond their full retirement age, the survivor benefit is increased.

By making the appropriate choices, you can help maximize your Social Security benefits — and possibly enjoy a more comfortable retirement.

*This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.*

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