

WHEN TO TAKE SOCIAL SECURITY

Timing is everything

As you approach retirement, there are several key decisions that can impact the level of income you will receive when you stop working. One such decision will be about claiming your Social Security retirement benefit.

More than half of eligible Americans take their benefits "early" – after they reach 62, even though they are locking in a permanent reduction in their monthly payment by as much as 25%. Still, "early" makes sense for many if they have little in savings and simply need the money. However, many do it because they can, without realizing they are giving up progressively higher payments for each year they wait to claim, potentially losing as much as 32% than if they had waited to age 70. Surveys have shown that nearly 40% in this camp actually regret their decision to claim "early" once they realize how much they have given up in lifetime income. For some couples this could translate into hundreds of thousands of dollars for not adopting a "wait to take" strategy.

This "wait" strategy makes even more sense when you consider the growing longevity for both men and women.

On average, women reaching age 65 today can expect to live to age 86 and men to 84, according to the Social

Security Administration. While that's good news, it also presents several new challenges. A longer life increases the likelihood that you'll have increased medical and long-term care expenses. The value of your

nest egg will be more significantly impacted by increases in the cost of living over a longer term. And, quite simply, you could outlive your money.

This means that today, it's more important than ever to make calculated decisions about when to begin drawing Social Security benefits within the context of your overall retirement income plan and to develop a strategy to maximize the value of it. Evaluating a number of decision factors can help you maximize your Social Security retirement benefits and even your survivor's benefits. By addressing each of these factors as it pertains to you, we can develop a plan to get the most out of your benefits when combined with your other sources of retirement income.

Once a plan is in place, you can then knowledgeably and confidently make your appointment at the local Social Security Office, which can be found via

the website ssa.gov. Here you can find more information about the claiming process.

If you are considering applying for benefits soon, you're likely concerned with four primary decisions factors:

Your Age
When should you draw benefits?

Your Job
How do earnings impact your benefits?

Your Taxes
How are benefits taxed when combined with other retirement income?

Your Marital Status
How do spousal and survivor benefits work?

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