

When To Start Receiving Retirement Benefits



At Social Security, we're often asked, "What is the best age to start receiving retirement benefits?" The answer is that there's no one "best age" for everyone and, ultimately, it's your choice. You should make an informed decision about when to apply for benefits based on your individual and family circumstances. We hope the following information will help you understand how Social Security can fit into your retirement decision.

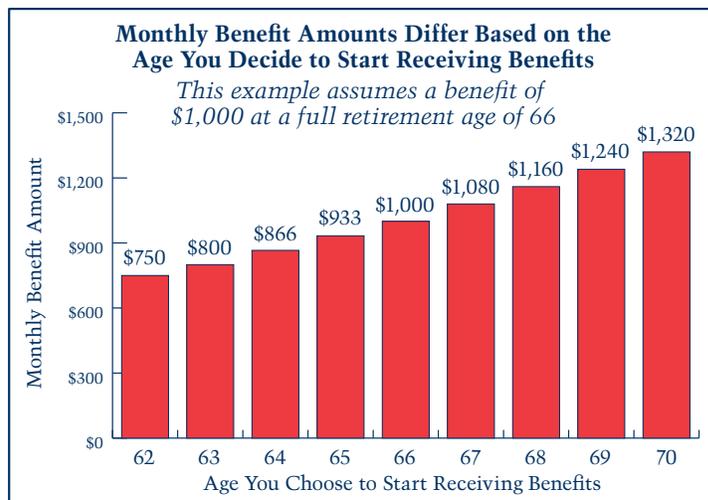
Your decision is a personal one

Would it be better for you to begin receiving benefits early with a smaller monthly amount or to wait for a larger monthly payment later that you may not receive as long? The answer is personal and depends on several factors, such as your current cash needs, your current health and family longevity. Also, consider if you plan to work in retirement or if you have other retirement income sources. You must also study your future financial needs and obligations, and, of course, calculate your future Social Security benefit. We hope you'll weigh all the facts carefully and consider your own circumstances before making the important decision about when to begin receiving Social Security benefits.

Monthly payments differ substantially based on when you start receiving benefits

If you live to the average life expectancy for someone your age, you'll receive about the same amount in lifetime benefits. It doesn't matter if you choose to start receiving benefits at age 62, full retirement age, age 70, or any age between. The amount of your monthly benefit, however, can differ considerably based on your retirement age. You can get lower monthly payments for a longer period of time or higher monthly payments over a shorter period of time. The amount you receive when you first get benefits sets the base for the benefits you'll get for the rest of your life. You'll get annual cost-of-living adjustments and, depending on your work history, may receive higher benefits if you continue to work.

The following chart provides an example of how your monthly benefit can differ based on the age you decide to start receiving benefits.



Let's say your full retirement age is 66 and your monthly benefit starting at that age is \$1,000. If you choose to start getting benefits at age 62, we'll reduce your monthly benefit 25 percent to \$750 to account for the longer period of time you receive benefits. This decrease is usually permanent.

If you choose to delay getting benefits until age 70, you would increase your monthly benefit to \$1,320. This increase is from delayed retirement credits you earn for your decision to postpone receiving benefits past your full retirement age. The benefit at age 70 in this example is 32 percent more than you would receive each month if you had chosen to start getting benefits at full retirement age.

Retirement may be longer than you think

When thinking about retirement, be sure to plan for the long term. Many of us will live much longer than the "average" retiree, and most women live longer than men. More than one in three 65 year olds today will live to age 90, and more than one in seven will live to age 95. Social Security benefits, which last as long as you live, provide valuable protection against outliving savings and other sources of retirement income. Again, you'll want to choose a retirement age based on your circumstances so you'll have enough income when you need it.

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Your decision could affect your family

Your spouse may be eligible for a benefit based on your work record (we reduce spouse benefits if claimed before the spouse's full retirement age). If you earned more over your lifetime and die before your spouse, he or she may be eligible for a higher survivor benefit based on your work record. If you begin receiving Social Security benefits early, we can't pay your surviving spouse a full benefit from your record. But, if you wait until full retirement age to get benefits, your surviving spouse—if he or she is at least full retirement age—will get the same benefit you would have received.

Your children may also be eligible for a benefit on your work record if they're under age 18 or if they have a disability that began before age 22. For them to receive benefits, you must be getting benefits, too.

You can keep working

When you reach your full retirement age, you can work and earn as much as you want and still get your full Social Security benefit payment. If you're younger than full retirement age and if your earnings exceed certain dollar amounts, some of your benefit payments during the year will be withheld.

This doesn't mean you must try to limit your earnings. If we withhold some of your benefits because you continue to work, we'll pay you a higher monthly benefit when you reach your full retirement age. So, if you work and earn more than the exempt amount, it won't, on average, decrease the total value of your lifetime benefits from Social Security—and may increase them.

Here is how this works: When you reach full retirement age, we'll recalculate your benefit to give you credit for months you didn't get a benefit because of your earnings. In addition, as long as you continue to work and receive benefits, we'll check your record every year to see whether the extra earnings will increase your monthly benefit.

Don't forget Medicare

If you plan to delay receiving benefits because you're working, you should still sign up for Medicare three months before reaching age 65, regardless of when you reach full retirement age. If you don't enroll in Medicare medical insurance or prescription drug coverage when you're first eligible, it can be delayed, and you may have to pay a late enrollment penalty for as long as you have coverage.

Additional resources

You can estimate benefit amounts and find more information to help you decide when to start receiving retirement benefits by using our benefits planners online at www.socialsecurity.gov/planners. You can also use our Retirement Estimator at www.socialsecurity.gov/estimator, or create a **my Social Security** account and get your *Social Security Statement* at www.socialsecurity.gov/myaccount. Both tools provide retirement benefit estimates based on your actual earnings record.

When you're ready for benefits, you can also apply online at www.socialsecurity.gov/applyforbenefits. Many people can continue to work and still receive retirement benefits. If you want more information about how your earnings affect your retirement benefits, read *How Work Affects Your Benefits* (Publication No. 05-10069), which has current annual and monthly earnings limits.

More information — including copies of our publications — is available at www.socialsecurity.gov. You can also call our toll-free number, **1-800-772-1213** (for the deaf or hard of hearing, call our TTY number, **1-800-325-0778**). We can answer specific questions from 7 a.m. to 7 p.m., Monday through Friday. Generally, you'll have a shorter wait time if you call during the week after Tuesday. We treat all calls confidentially. We also want to make sure you receive accurate and courteous service, so a second Social Security representative monitors some telephone calls. We can provide general information by automated phone service 24 hours a day. And, remember, our website, www.socialsecurity.gov, is available to you anytime and anywhere!