



When's the Right Time to Collect Social Security?

Choosing when you'll start collecting Social Security benefits is a personal decision and the right time to begin varies from person to person.

EARLIER ISN'T ALWAYS BETTER

You're eligible to begin collecting Social Security as early as age 62, but that means you'll receive a lower monthly payment, in some cases nearly 30% less than if you wait until you reach what the Social Security Administration calls your full retirement age. Depending on when you were born, this is somewhere between ages 66 and 67. Waiting four or five more years can increase your monthly and lifetime payout significantly.

Waiting the extra years until you reach full retirement age may not be a viable option if you're no longer working, have limited retirement savings and need the money to pay your bills. In that case, collecting Social Security is the right move.

A DELAY CAN PAY

If you're still working or have retired but have other accessible retirement funds, waiting until you're age 70 to start collecting may make sense. That's because for each year you wait beyond your full retirement age, up to age 70, your annual benefit increases by 8%. That means you could see up to a 32% increase in your monthly payment.

EARLY INVESTING



Maybe you're thinking about claiming your benefits at age 62 and investing the proceeds because you don't need the money. Keep in mind that if you invest those funds in the stock market, there's a chance you'll lose some money—or you could earn more than 8% annually.

Depending on your other sources of retirement income, this may or may not be the right option for you. Check with your financial professional to discuss your situation.

ADDITIONAL CONSIDERATIONS


Some non-working spouses may be entitled to payments of up to 50% of the working spouse's benefit amount. These spousal payments don't decrease the amount of benefit received by the working spouse.

Also, you may be able to collect benefits based on your former spouse's earning record if you were married at least ten years, been divorced for at least two continuous years, are currently unmarried and at least age 62.



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