

5 Common Social Security Questions Answered

There's no question that Social Security is a cornerstone of retirement income for many Americans. Yet, deciding when to take Social Security benefits is something that many people struggle with. As with most financial decisions, the right move depends on a variety of factors unique to each individual. If you are contemplating when to pull the trigger on Social Security benefits, read on for answers to some common questions.

At what age can I claim Social Security?

As it stands today, Americans are eligible at age 62. If you start then, you will receive the lowest monthly benefit possible. The longer you delay claiming, the larger the benefit will be. The amount increases by eight percent each year. If you delay your claim, you should begin collecting by age 70 as monthly benefits do not increase after that point.¹

What is my full retirement age?

For years, full retirement age, or the age when you're eligible to receive your complete benefit from Social Security, was 65. It is now higher. For those born from 1943 to 1954, it is age 66; for those born between 1955 and 1959, it falls between ages 66 and 67; and for those born in 1960 or later, full retirement age is 67.¹

What is the right age to claim benefits?

The answer to this question varies depending on your circumstances. When deciding the timing that works for you, consider the following:

1. *The likelihood of living a long life in retirement.* According to the Social Security Administration, the average life expectancy for a person reaching age 65 is 84 for a man and just shy of 87 for a woman.
2. *Your financial need for a regular source of income once you qualify to claim benefits.* This may depend in part on whether you plan to continue working until you reach your full retirement age, or even after, in which case you may be able to delay taking Social Security benefits.
3. *If you're married.* For people with spouses, it's important to verify which of you will qualify for the larger benefit. Once one spouse dies, the surviving spouse will continue to collect the highest of the two benefits earned in the household.

Can I keep working and still collect Social Security?

Yes, but the Social Security Administration applies an earnings limit if you haven't yet reached full retirement age. In 2018, the limit for those who have not yet reached the year of their full retirement age is \$17,040. After you earn that much from work, your Social Security benefits will be reduced by \$1 for every two dollars you earn over the limit. In the year you will reach full retirement age, that limit rises to \$45,360. Once you surpass that amount, \$1 of your Social Security benefits is reduced for every \$3 you earn over the limit. After you have reached full retirement age, the earnings limit goes away. At that point, you can continue working and earn as much as you'd like without losing any Social Security benefits.²

How are my benefits determined?

Benefits are based on your lifetime earnings, with an emphasis on the 35 years where you earned the most income. A formula is applied to those earnings to determine what you qualify to receive at full retirement age. This is the basis for determining any adjustment to your benefits if you claim prior to or later than your full retirement age.

These are a few of the factors that will affect the decisions you make on timing your Social Security benefits. If you have questions about your situation, contact your local Social Security office, visit www.ssa.gov or discuss this matter in more detail with a financial advisor.

¹ – “Full retirement age,” Social Security Administration. <https://www.ssa.gov/planners/retire/retirechart.html>

² – “Getting benefits while working,” Social Security Administration.
<https://www.ssa.gov/planners/retire/whileworking.html>

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