



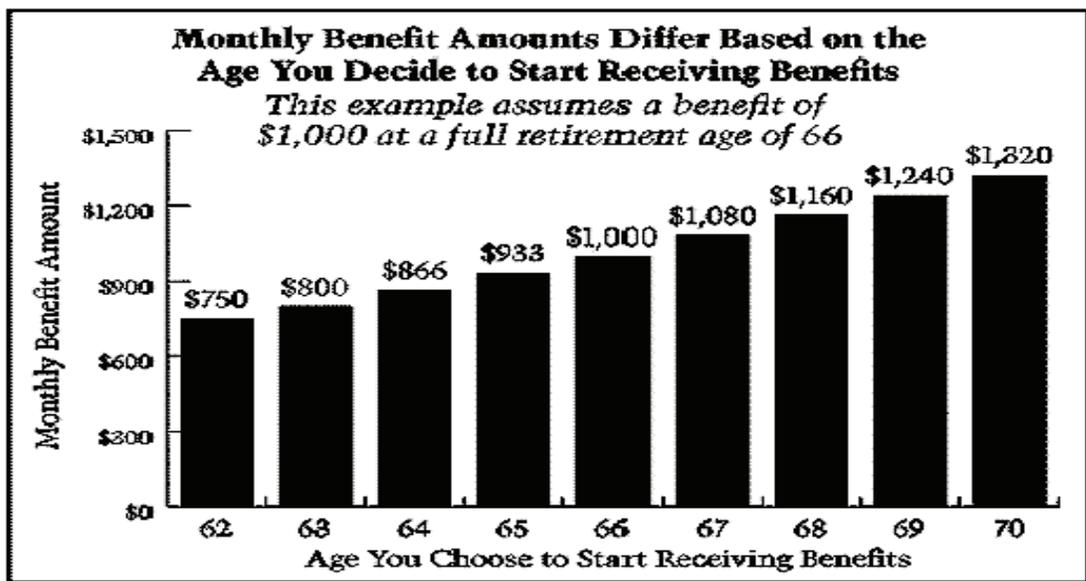
Social Security: When Should You Collect Benefits?

When a person chooses to collect Social Security benefits before full retirement age, the person's normal retirement benefits are reduced. The benefits will continue at the lower amount even after the beneficiary reaches full retirement age. On the other hand, individuals who delay collecting social security benefits beyond full retirement age are entitled to receive a percentage increase for each year collection is delayed until age 70. For workers born in 1943 or later, the annual increase is 8.0%.

FULL RETIREMENT AGE BENEFITS

<u>Year of Birth</u>	<u>Full Retirement Age</u>
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

The following chart is based on a retirement age of 66 with a \$1,000 monthly benefit. The chart shows that collecting benefits at 62 permanently reduces benefits by 25%. However, if receiving benefits is delayed to the age of 70, the monthly benefit will increase by 32%. It is important for you to know how many years you have to live past age 70 to make up for the benefits not collected between normal retirement age and age 70 in order to decide if delaying benefits to age 70 is the appropriate choice.



Source: SSA Publication No. 05-10147, July 2008, ICN 480136

more...

Social Security: When Should You Collect Benefits?

Benefits are further reduced for a person who elects to receive benefits before their normal (full) retirement age (NRA) and earns more income, through wages or self-employment, than the "annual retirement earnings test exempt amount". The annual exempt amount increases every year based on the national average wage index. For people reaching their NRA **after** 2016, the annual exempt amount in 2016 is **\$15,720**. For people reaching their NRA **in** 2015, the annual exempt amount in 2016 is **\$41,880** for earnings in the months prior to the month they reach their NRA. Benefits are reduced by \$1 for every \$2 in earnings in excess of \$15,720, or by \$1 of every \$3 in earnings in excess of \$41,880. These benefits are not "lost" however; when you reach full retirement age your benefits will be increased to account for the months when benefits were withheld. Your benefits are also recomputed for the years you continue working until age 70. Delaying benefits while working may allow you to replace lower-earning years with higher-earning years, and enhance the benefit you will receive.

Additional resources available at: www.ssa.gov: Benefits Planner, Retirement Estimator, Social Security Statement for your account (create an online account), Apply for Benefits Online.

Factors to Consider:

- Full retirement age
- Finances
- Whether you are still working
- Personal & emotional issues
- Whether you are the higher-earning or lower-earning spouse
- Health
- Uniform life expectancy tables
- Inflation rate
- Time value of money