

# Social Security: When Should You Claim Retirement Benefits? – Video Transcript

Social Security is a major source of lifetime retirement income for most Americans. As you near retirement, determining when to claim your Social Security benefit is one of the biggest financial decisions you'll need to make.

Should you begin receiving your monthly benefit at your full retirement age — 66 to 67, depending on the year you were born?

Should you begin receiving a smaller monthly benefit before reaching your full retirement age, as early as age 62?

Or should you wait past full retirement age to receive a larger monthly benefit? You can delay receiving benefits up to age 70.

What you decide can greatly affect your retirement income.

If you apply for benefits early at age 62, your monthly benefit will be permanently reduced by 25 to 30%, depending on your full retirement age.

For example, a monthly retirement benefit of \$2,000 taken at a full retirement age of 67 would be reduced by 30% — to \$1,400 — if taken at age 62 instead.

On the other hand, if you delay taking benefits past full retirement age, your benefit will permanently increase by 8% for each year you delay. In this example, the \$2,000 benefit will be 24% higher — or \$2,480 — if taken at age 70.

If you claim earlier, you'll receive a smaller monthly benefit, potentially over a longer period of time. If you claim later, you'll receive a larger monthly benefit for the rest of your life. So which option should you choose?

There's no one-size-fits all answer. When to begin receiving Social Security benefits is a personal decision that must be based on your unique needs and circumstances.

Many other factors can affect your decision. These include:

- Your other sources of retirement income
- Your income tax picture
- Whether you plan to work after you begin receiving benefits
- Your life expectancy, and
- Your marital status

To get estimates of your future retirement benefits, go to the Social Security Administration's website and sign up for a *my* Social Security account to view your Social Security Statement. If you're already age 60, you can choose to receive this statement in the mail every year.

Finally, as you near age 62, contact a Social Security Administration representative to discuss your options.