Social Security Claiming Decision Toolkit

A Print■Friendly Planning Guide for Adults Age 60+

This toolkit helps you understand how claiming Social Security early can affect your monthly retirement income and long■term financial security. Claiming benefits before your full retirement age can reduce your monthly payment permanently — often by up to about 30% if benefits begin at age 62 instead of 67. Use the worksheets in this toolkit to compare claiming ages and make an informed retirement decision.

What You'll Find Inside:

• Simple explanation of the Social Security early retirement penalty

• A worksheet to estimate how much income you could lose by claiming early

• A retirement income planning checklist

• A claiming strategy comparison worksheet

• Questions to ask before filing for Social Security

Prepared by GrantsForSeniors.org

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Understanding the Early Retirement Penalty

Social Security allows retirement benefits to begin as early as age 62. However, starting benefits before your full retirement age permanently reduces the monthly payment you receive. For many retirees with a full retirement age of 67, claiming benefits at 62 can reduce the monthly benefit by roughly 30%. The reduction exists because early claimers receive benefits for more years.

Benefits are reduced using a formula: the first 36 months early reduce benefits by about 0.56% per month, and additional months reduce benefits by about 0.42% per month.

Worksheet 1: Estimate Your Monthly Benefit Difference

Estimated Benefit at Age 67 (Full Retirement Age)	_____
Estimated Benefit if Claimed at Age 62	_____
Monthly Difference	_____
Annual Difference	_____

Tip: Even a few hundred dollars difference per month can equal thousands of dollars per year in retirement income.

Worksheet 2: Claiming Age Comparison

Claiming Age	Estimated Monthly Benefit	Notes
62	_____	
63	_____	
64	_____	
65	_____	
66	_____	
67	_____	
70	_____	

Checklist: Before You Claim Social Security

■ Have I reviewed my Social Security earnings record?

■ Do I know my full retirement age?

■ Do I plan to continue working after claiming benefits?

■ How long do I expect to rely on retirement income?

■ Will my claiming decision affect a spouse or survivor benefit?

■ Do I need income immediately, or can I wait for a larger monthly payment?

Questions to Discuss With a Financial Advisor or SSA Representative

• What is my estimated benefit at age 62, 67, and 70?

• How would claiming early affect my spouse’s survivor benefit?

• How does the earnings test affect me if I continue working?

• What is my estimated break■even age?

• Would delaying benefits improve my long■term retirement income?

Important Disclaimer

This toolkit is for educational purposes only and is not financial, legal, or tax advice. Social Security rules and benefit amounts can change over time. Before making decisions about claiming Social Security benefits, verify information with the Social Security Administration at SSA.gov or consult a qualified financial professional.

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