RETIREMENT

Waiting for the Dough

Since it launched in 1935, the Old-Age, Survivors, and Disability Insurance program, better known as "Social Security," has been part of American retirement planning. The program is intended to assist citizens with retirement income as early as age 62; however, many people will find it beneficial to delay this income until later.

Social Security considers "full" retirement to occur at either age 66 or 67, depending on your year of birth. Retirement benefits can be collected at any point from age 62 to age 70, but the size of your monthly income is permanently decreased the earlier you take it.

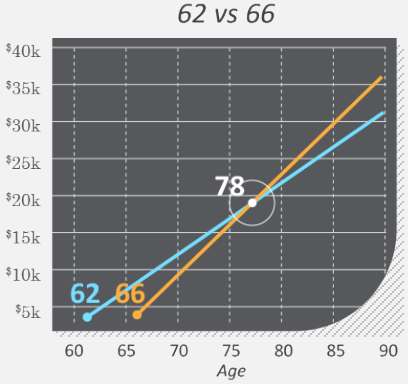
How Age Affects Retirement Benefit

Age	62	63	64	65	66	67	68	69	70
Born 1960+	70%	75%	80%	86.6%	93.3%	**100%**	108%	116%	124%
Born 1943-59*	75%	80%	86.6%	93.3%	**100%**	108%	116%	124%	132%

Age Break Points

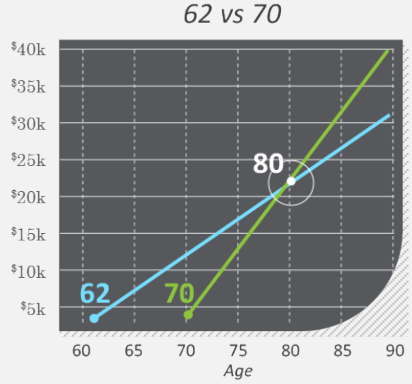
There are several factors that affect an optimized Social Security benefit, including investment income, life expectancy, retirement date and a spouse's Social Security benefit. Although everyone will have different circumstances, being patient can have significant value.

62 vs 66



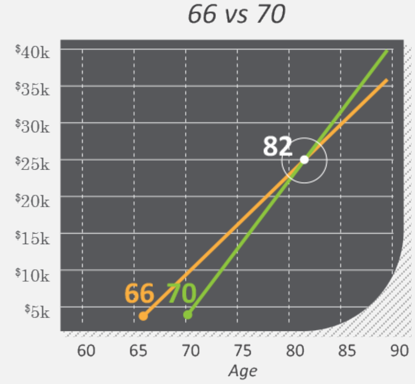
For instance, taking benefits at **62** would allow you to take payments early; however, the "full" benefits of age 66 would be of greater value, eventually becoming a greater net value at age 78 and beyond.

62 vs 70



A similar scenario plays out when comparing early benefits at age 62 and delayed benefits of age 70. In this case, delayed benefits end up having a greater value if you live past age 80.

66 vs 70



The break point of "full" benefits of 66 and delayed benefits taken at age 70 follows this pattern, with the larger, delayed benefits having a greater accumulated value after age 82.

*These "break points" use the total cash value of the payments and do not consider reinvestment or spousal benefit strategies. **Consult a planner, as your personal situation will affect your optimal Social Security strategy**.

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