

When Should You Apply for Social Security?

Is claiming benefits at age 62 a mistake?
Not always. Here are some factors to consider as you ponder what's right for you.



Motley Fool
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Will you live longer than average?

About one of every four people age 65 will live past age 90. One in 10 will live past age 95. When delaying benefits, the breakeven point (the point when you receive more from Social Security than if you had taken it earlier) usually ranges from age 78 to 82. But if your relatives tend to live longer-than-average lives, you may want to delay benefits.



Do you need the money?

If you're ill, have a shortened life expectancy, or face limited resources, it may be necessary to take Social Security early. Here's one quick rule of thumb: If you expect to live to at least 80 and can use other resources until age 70, delaying could be best for you. If one or both of these circumstances are not the case for you, it might make more sense to take your benefits earlier.



Do you have a spouse or dependents?

The age at which you apply for benefits locks you into a benefit base for the rest of your life. Your benefit base might affect your spouse's benefit, both when you're alive and if you die first. For instance, taking payments before your full retirement age (FRA) permanently reduces the base, and your spouse will get 50% of that lower starting point. But your spouse will always receive the highest payment — whether it is the reduced amount from you or your spouse's own Social Security. The benefit base can also determine disbursements to other family members. Thus, it is crucial to coordinate benefits with a spouse when deciding to apply for Social Security.



Want to reduce stress on your portfolio?

Instead of maximizing your benefit, you may enjoy peace of mind knowing that you have a steady cash flow. Or you may want to let your portfolio compound by not withdrawing funds just yet. The earlier you claim your benefit, the sooner you'll receive those reliable payments, and your investment portfolio won't have to do as much heavy lifting.



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