



Delay Receiving Social Security to Increase Benefits

On Aug. 14, 1935, President Franklin D. Roosevelt signed the Social Security Act into law to help combat unemployment and guarantee income for retirees. Roosevelt acknowledged the limitations of the act, stating, "We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life," but according to History.com, he hoped the act would prevent senior citizens from ending up impoverished.

Many Americans now think of retirement as something that automatically happens when they reach 65. However, some may be able to afford to retire sooner, while others may want to work longer to save more. Regardless of when you *want* to retire, you should consider delaying Social Security benefits until 70 if you can.

Baby boomers who are eligible for full Social Security benefits at age 66 (those born between 1943 and 1954) can begin claiming reduced Social Security benefits at age 62. People who claim their benefits before reaching full retirement age and subsequently end up returning to the work force, will have their benefits reduced by an additional \$1 for every \$2 more than \$17,640 earned in 2019. By postponing applying for Social Security benefits until age 70, retirees could receive up to 8 percent more per year and almost double their monthly benefit income.

In 2019, the maximum Social Security benefit is \$2,861 a month at the normal retirement age, which varies depending on your birth year. To know if you can afford to retire and wait until 70 to receive increased benefits, you should practice living on a retirement budget that excludes all Social Security benefits for at least six months. This will help you determine if receiving Social Security will be required to cover daily necessities or will be additional income to fund weekend dinners out or yearly vacations.

Instead of deciding to retire because of arbitrarily set ages for claiming Social Security, take the time to practice and examine your budget options to make sure you will be making the most of your benefits. Our office will work with you to examine all your savings and benefit options to help you enter retirement at the time that works best with your budget. If you are wondering about the best time to take your retirement benefits, call our office today for a review of your portfolio. We can help you build and practice living on a budget to help you confidently transition from the work force into retirement.