

# Social Security Optimization

More than  
**\$1**  
trillion

is what nearly **64 million** Americans were projected to receive in Social Security benefits in 2019<sup>1</sup>

**36%**

of the workforce has **no savings set aside** specifically for retirement<sup>1</sup>

**\$1,461**

was the **average monthly benefit from Social Security** in December 2018 for retired workers (just \$17,532 per year)<sup>1</sup>

You only get one chance to make the right choices when claiming Social Security benefits, and the wrong decision could cost you thousands of dollars. There's no one-size-fits-all answer, and with so many different claiming options available, it's important to work with your advisor to discuss your options and make an informed decision.

## What you need to know

### Know your full retirement age (FRA)

For people born between 1943 and 1954, full retirement age is 66. It gradually climbs toward 67 if your birthday falls between 1955 and 1959. For those born in 1960 or later, full retirement age is 67. You can collect Social Security as soon as you turn 62, but taking benefits before FRA results in a permanent reduction of 25 to 30 percent of your benefit.

### Know your spousal benefit

Marriage provides couples an advantage when it comes to Social Security. Namely, one spouse can take what's called a spousal benefit, which at full retirement age could be worth up to 50 percent of the full retirement benefit of the other spouse. For example, if your monthly benefit is worth \$2,000 but your spouse's is only worth \$500, your spouse can switch to a spousal benefit worth \$1,000 — increasing monthly income by \$500.

Note that you cannot apply for a spousal benefit until your spouse has applied for his or her own benefit.

Divorced spouses are also entitled to spousal benefits if the marriage lasted more than 10 years.

### Know if you can afford to wait

Once you hit full retirement age, you can choose to wait to take your benefit. There's a big bonus to delaying your claim — your benefit will grow by 8 percent a year up until age 70. Any cost-of-living adjustments will be included as well.

Waiting to claim Social Security until age 70 could earn you up to an additional 32 percent in benefits.

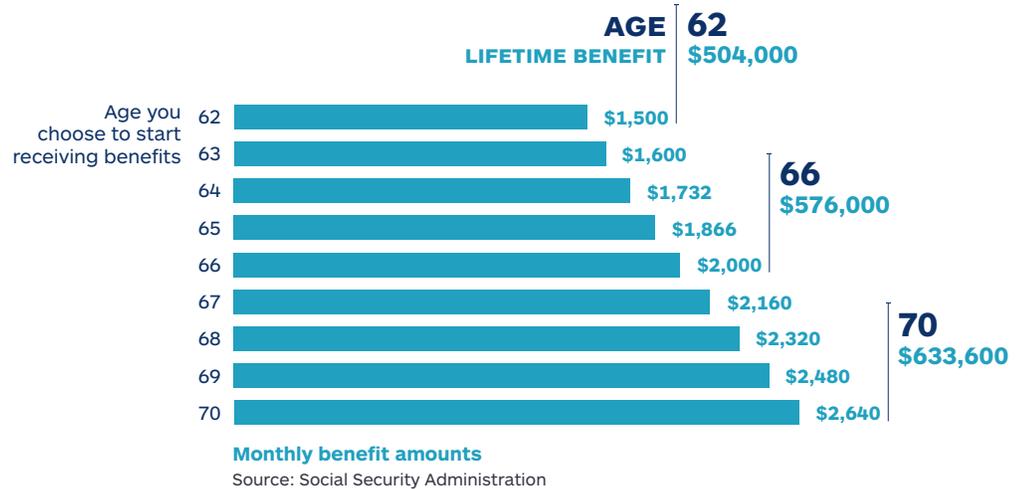
## Age and benefits

This chart illustrates the impact of claiming an expected \$2,000 monthly benefit at the full retirement age of 66 and the effects of taking it before or after full retirement age. This also assumes a person lives to age 90.

Decisions regarding Social Security are highly personal and depend on a number of factors, such as your health and family longevity, whether you plan to work in retirement, whether you have other income sources, as well as your anticipated future financial needs and obligations. We are here to help.

## What it means

When you begin taking benefits depends on a number of factors, with the primary being the need for the income. That very factor highlights the need to work with a financial advisor to objectively review all options and help you make the best decision. Many people do not realize the difference in the total lifetime benefits from taking Social Security.



Based on the chart, by taking benefits at the age of 62, an individual could leave approximately \$129,600 of lifetime benefits on the table. Remember, this is for one individual; it could potentially be doubled for a married couple, assuming they live to the age of 90. A good financial advisor will work with you to explore the best options for you and your family and to help you earn the most possible benefits.

1. <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>  
Social Security — Social Security Facts Sheet — 2018

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