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7 Social Security Questions To Ask Yourself Before Deciding at What Age To Collect

6 MIN READ

July 6, 2023 | By Angela Mae (<https://www.gobankingrates.com/author/amae/>)



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While you can start collecting [Social Security benefits](https://www.gobankingrates.com/category/retirement/social-security/) (<https://www.gobankingrates.com/category/retirement/social-security/>), once you're 62 years old, many people decide to wait until they're older to do so. One of the biggest reasons for this is that your benefit amount will typically be higher if you wait until you reach the full retirement age.

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However, everyone's circumstances are different, so the best time to collect benefits may be sooner — or later — for you than it is for others. Whether you're approaching retirement soon, or you're simply planning ahead, here are the most important questions to ask yourself before [deciding to collect Social Security](https://www.gobankingrates.com/retirement/social-security/social-security-benefits-do-not-claim-until-this-milestone/) (<https://www.gobankingrates.com/retirement/social-security/social-security-benefits-do-not-claim-until-this-milestone/>).

What's full retirement age for me?

Your full retirement age depends on the year you were born. For people born between 1955 and 1960, the full retirement age is 66 years old and some additional months depending on which year. This means some people will already have reached the right age. Anyone born in 1960 or beyond will need to wait until they're 67 years old to receive the maximum benefit.

If you collect Social Security early, you'll typically see a reduction in your benefit amount. According to the Social Security Administration, you might only receive around [70% of your maximum possible](https://www.ssa.gov/pubs/EN-05-10035.pdf) (<https://www.ssa.gov/pubs/EN-05-10035.pdf>) benefit if you collect at 62.

Are You Retirement Ready?



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What's my life expectancy?

The average life expectancy in the US is 76.1 years old (<https://cdc.gov/nchs/data/vsrr/vsrr023.pdf>). However, various factors can affect your life expectancy, such as your gender at birth, genetics, medical history, access to quality healthcare and lifestyle choices.

“It can make sense to claim Social Security benefits at age 62 if one has limited other sources of income for retirement spending,” said David Edmisten, CFP, founder and lead advisor at [Next Phase Financial Planning, LLC](http://www.nextphasefp.com) (<http://www.nextphasefp.com>). “It may also make sense if you expect to have a shorter than average life expectancy. The lower payments starting sooner may provide a near term benefit that outweighs the higher lifetime income that could be achieved delaying benefits if you live longer.”

Are You Retirement Ready?

If you have major or chronic health problems, you may also want to apply for Social Security disability benefits. As long as you're eligible, your benefit amount will be equal to your full retirement benefit amount (<https://www.ssa.gov/pubs/EN-05-10029.pdf>).



What are my expected retirement expenses?

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If you're thinking about retirement, it's important to consider the types of expenses you're going to have. This could be everyday things like a mortgage or rent payment, property taxes, utilities, health insurance, food and any other debts you might have. But it should also include

things like entertainment, personal hobbies or interests. And if you're planning to retire with your spouse or partner, it's a good idea to also consider their expected expenses.

“Setting aside 18-24 months’ worth of expected retirement spending in cash before retirement is a great step to consider,” said Edmisten. “By having 1-2 years’ worth of spending already set aside in cash, a new retiree can live as they planned without needing to claim Social Security benefits or withdraw from other retirement savings accounts.”

Will I have any other retirement income?

Ideally, you'll have other income to help supplement your Social Security benefits. This money could come in the form of a retirement account, an investment portfolio, a pension plan and any cash you've accumulated in savings. But whether you have this supplemental income or not, you should still think about whether it's enough to start collecting your benefits — especially if you want to retire early.

Are You Retirement Ready?

“Before locking in your Social Security benefits, assess your retirement accounts and where you stand financially,” said Mike Lynch, Managing Director of Applied Insights at [Hartford Funds \(https://www.hartfordfunds.com/home.html\)](https://www.hartfordfunds.com/home.html). “Is what you have saved (or plan to have saved) enough to comfortably get you through 20 years without additional contributions?”
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Once you've done this, Lynch also suggested creating a financial strategy for the best time to withdraw from your accounts or collect your Social Security benefits. You can also speak with a retirement planning or other financial professional to help.

What will my Social Security benefit amount be?

Social Security benefits are calculated based on a few factors, such as the age you retire and your average indexed monthly earnings — that is, how much you earned over the highest-paid 35 years of your working life. In May 2023, the average monthly benefit amount was \$1,699.35 (https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/).

You can determine your Social Security benefit amount in several ways, but one option is to use an online calculator — such as [this calculator \(https://www.aarp.org/retirement/social-security/benefits-calculator/\)](https://www.aarp.org/retirement/social-security/benefits-calculator/) by the American Association of Retired Persons (AARP). “The math behind these calculators is that you can take your benefits early (at a cost), on time (full retirement age), and at 70 (for the highest benefit),” said Zigmont. “Effectively, the earlier you claim social security, the less you will get each month, up to a maximum amount at age 70.”

Are You Retirement Ready?

On the topic of determining your benefits amount, Joseph Doerrer — CFP, CPA, and Vice President of Wealth Planning at Mezzasalma Advisors (<https://mezzcpa.com/>) — weighed in. Doerrer said, “If you begin collecting social security benefits early, meaning before you

achieve your full retirement age (FRA), your benefit is generally reduced by 5/9 of a percent for each month you collect early for the first 36 months, and 5/12 of a percent for the remainder.”

Calculate your benefits amount as you consider when the best time to collect is for you.

Should I invest my Social Security benefits?

If you start collecting your Social Security benefits early, you may be able to invest some of that money. Depending on how you go about it, you might even see a greater return than if you were to wait until you're at the full retirement age. But you'll need to commit to this strategy, or you might not benefit as much as you think.

“From a math standpoint, you may get a better return on investing your Social Security than waiting until 70,” said Zigmont. “The problem is that while people on this plan say they will invest it, often they don't (and just spend it).”

Are You Retirement Ready?

Do I have a solid financial plan?



“It can be prudent to develop a financial plan for your retirement where you can examine different scenarios to help determine the optimal time to claim your Social Security benefits,” said Edmister. “Work with a Certified Financial Planner to look at the specifics of your situation so you can make an educated and informed decision.”