

## **Trying to Decide When to Retire? Make an Informed Decision** by Richard Gaudiosi, Social Security Administration Public Affairs Specialist

It's never too early to start thinking about your retirement. When you do, one of your first questions may be, "When's the best time to start receiving retirement benefits?"

There's no one "best age" for everyone and, ultimately, it is your choice. You should make an informed decision about when to apply for benefits based on your individual and family circumstances.

With that in mind, Social Security has published a fact sheet to help you make the decision that's best for you. *When To Start Receiving Retirement Benefits* is available online at <http://www.socialsecurity.gov/pubs/10147.pdf>

Things you should consider are your current cash needs, health, family longevity, whether you plan to work after you retire, future financial needs and obligations, and the amount of your benefit and other income, such as pensions and deductions from retirement funds. Do you have investments to draw from when you need extra money? Will it last as long as you expect to live?

Keep in mind that people are living longer than they used to. About one out of every four 65-year-olds today will live past age 90, and one out of 10 will live past age 95. If you decide to retire early, at 62 or any time before your full retirement age, you'll get your benefits sooner — but you'll get a reduced benefit for the rest of your life. Your monthly benefit will last as long as you do. So the reduction in monthly payment for taking early retirement can add up to a big difference over the life of your benefits.

Your decision can affect your spouse and family, too. If you die before your spouse and dependent children, they may be eligible for survivors benefits. But if you took early retirement, their payments would be based on your reduced benefit amount.

When you reach your full retirement age, you can work and earn as much as you want and still receive your full Social Security benefit payment. If you are younger than full retirement age and if your earnings exceed certain dollar amounts, some of your benefit payments during the year will be withheld.

On the other hand, if you put off retirement benefits until after your full retirement age, your amount will increase. In fact, your benefit amount will continue to go up until you reach age 70 or start receiving benefits, whichever comes first.

And when thinking about Social Security, don't forget Medicare. You should sign up for Medicare three months before reaching age 65, no matter when your full retirement age is—even if you decide to delay retirement benefits. Otherwise, your Medicare medical insurance, as well as prescription drug coverage, could be delayed, and you could be charged higher premiums.