# 10 YEARS OUT

# Find a Way to Delay Social Security

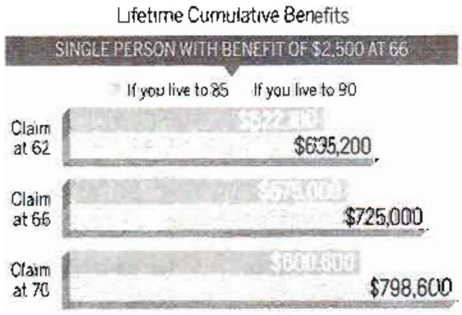
While you can claim Social Security as early as age 62, your payment will increase by about 6% a year for every year you delay filing before your full retirement age (between 66 and 67 for most folks). After that, holding off earns you another 8% a year until age 70. Altogether, for someone whose full retirement age is 66, the payment is 76% higher at 70 than at 62. "With very few exceptions, you're nuts to claim at 62," says Evanston, Ill., financial planner Danielle Schultz.

That said, postponing may require you to rejigger your plans. So begin strategizing now. Start by determining what you're entitled to, at ssa.gov/estimator, then consider the tactics here for putting off your benefit. You may also want to use certain software—Maximize My Social Security ($40; maximizemysocialsecurity.com) or Social Security Solutions ($20 to $50; socialsecuritysolutions.com)—to run scenarios using your and your spouse's ages, earning histories, and savings.

BOOST YOUR LIFETIME PAYOUT

Postponing Social Security from age 62 to 70 can increase a high earner's lifetime benefit by more than $75,000.

Lifetime Cumulative Benefits




NOTE: Full retirement age is 66. SOURCE: Socialsecuritysolutions.com

WHAT TO DO

## STAY ON THE JOB

If your portfolio won't generate enough income to let you delay to 70, putting off your quit date can help, as you can build your savings and postpone drawing from them. Or, work part-time from 62 to 70 to replace the benefit you'd have received, says Jim Blankenship, author of *A Social Security Owner's Manual*. (The max benefit for a 62-year-old this year is less than $2,000 a month.)

## BENEFIT FROM YOUR SPOUSE

You have the option to collect payment on your spouse's benefit instead of your own—assuming you are at least 62 and your better half has filed for benefits. The maximum is 50% of your partner's payout; you must be at full retirement age to get it. Best move: The spouse with the higher benefit should postpone collecting until 70, to maximize the bigger payout and possibly lock in a greater benefit for the other, says Baylor University professor William Reichenstein. And in the meantime...

**... if you each paid into Social Security.** The lower earner can claim his or her benefit as early as 62. The higher earner can claim 50% of that at full retirement age, then at 70 switch to his or her own benefit. The low earner's check will be recalculated if the spousal benefit is greater.

**... if only one of you earned a benefit.** That person should file at full retirement age—allowing the non-earner to claim a reduced spousal benefit—then suspend his or her own payouts until age 70.