



The Motley Fool

3 Reasons to Take Social Security Benefits at 70

Trying to figure out when to take Social Security is a big decision. Here's the latest in a series of roundtable articles to help you in that process.

By Jason Hall

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When should you start taking Social Security? It's a decision that tens of thousands of Americans wrestle with every single day -- and for good reason. After all, you can start taking benefits as early as age 62, or as late as 70, with the amount of your benefit increasing steadily with each passing year.

We've recently asked some of our top contributors to share their thoughts, and we've gotten a lot of good advice. Earlier, we looked at [why it's a good idea](#) to take Social Security at 62, and [why it's a bad idea](#) to take Social Security at age 62. The bottom line is this: Different circumstances call for different decisions. It's no different in deciding if you should wait till 70. Here's what three of our Fools had to say about that.

[Brian Stoffel](#) (There are social and health benefits to staying in the workforce): Here's a quick quiz for you: Of all the struggles that current retirees report once entering retirement, which is the hardest to adjust to?

According to a [study](#) by Merrill Lynch and Age Wave, it's not a loss of steady income, or downshifting of one's spending habits. Instead, it's the sudden departure of normal, healthy social interactions for a retiree's daily routine. We often take for granted the benefits of being "forced" into social situations every day because of work.

I think if you choose to wait until 70 to claim Social Security, you get a double-whammy of benefits: healthy friendships, and a larger monthly check. If you, for example, work part-time to supplement any income you are drawing from your nest egg in your 60s, you can end up getting a substantially larger Social Security payment when you finally claim.

All the while, you're easing yourself into full retirement by establishing connections within your community through part-time work, setting up a suitable routine, and staying active in your later years.

Dan Caplinger (It's worth more money for your survivors): Brian notes that you can get a larger benefit for yourself if you wait until age 70. But another reason to wait involves what your family will receive in survivor benefits after you pass away. Your family's survivor benefits will be calculated based on the decisions that *you* make with your own benefits, with a surviving spouse entitled to receive up to 100% of your monthly benefit. If you wait until age 70 to claim, then you'll boost the amount that your spouse is entitled to receive on your work history. The same is true of any children you have who might qualify for benefits, either because of their age, or due to disability.

In many cases, taking your family's needs into account will change what would otherwise be a rational decision to take benefits early. For instance, even if your medical history suggests that your life expectancy won't be long enough to justify waiting until age 70 to collect benefits, your spouse might end up ahead if you wait and boost the survivor benefits that Social Security will pay. If your loved ones will need maximum financial support after you're gone, waiting until age 70 to take Social Security can be a huge asset down the road.

Jason Hall (It will help you when you're least able to generate income): The actuarial tables point out that the payout schedule for Social Security will mean your total payments will probably come out about the same, whether you start taking your benefit at 62, 70, or somewhere in between. This is a common argument for starting your benefits as soon as you can.

But what that argument misses is this: Most people don't retire with substantial retirement savings, and will count on Social Security as a primary income source. So unless you've built up a substantial nest egg outside of Social Security, you're potentially setting yourself up for a significantly smaller fixed income when you're in your 70s, or even 80s, and unable to earn a wage.

Factor that in with the reasons Brian and Dan gave above, and there's a good chance that waiting for the maximum monthly Social Security benefit might be the best decision for most people to make.

The \$15,978 Social Security bonus most retirees completely overlook

If you're like most Americans, you're a few years (or more) behind on your retirement savings. But a handful of little-known "Social Security secrets" could help ensure a boost in your retirement income. In fact, one MarketWatch reporter argues that if more Americans knew about

this, the government would have to shell out an extra \$10 billion annually. For example: one easy, 17-minute trick could pay you as much as \$15,978 more... each year! Once you learn how to take advantage of all these loopholes, we think you could retire confidently with the peace of mind we're all after.

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