

When Should I Claim Social Security Benefits

By Thomas Nguyen | True North Financial Group

A practical guide for people approaching retirement

The right time to claim Social Security depends on when you need income, how you will pay bills while waiting and how much protection you want later in life. Claiming early can meet an immediate need. Delaying can increase the monthly benefit for the rest of your life and may improve a surviving spouse's income. A useful decision compares those outcomes within your full retirement plan.

My starting question is how Social Security fits your household budget. Retiring from work and starting benefits are separate decisions. You might stop working before claiming, continue working while claiming or use savings between the two dates. The most attractive claiming age on a calculator may be impractical if it leaves you short of cash or forces excessive investment withdrawals.

Understand the three ages people compare

For people born in 1960 or later, full retirement age is 67. Starting your own retirement benefit at 62 generally pays 70% of the full-retirement-age amount. At 67, it pays 100%. Claiming between those ages produces a different reduction based on the actual month you start. Earlier birth years have different full retirement ages. [1]

Waiting beyond full retirement age earns delayed retirement credits, through age 70. For this birth group, starting at 70 pays 124% of the full-retirement-age amount. Waiting beyond 70 does not earn additional delayed credits. These age adjustments should not be confused with cost-of-living adjustments or an investment return on a savings account. [2]

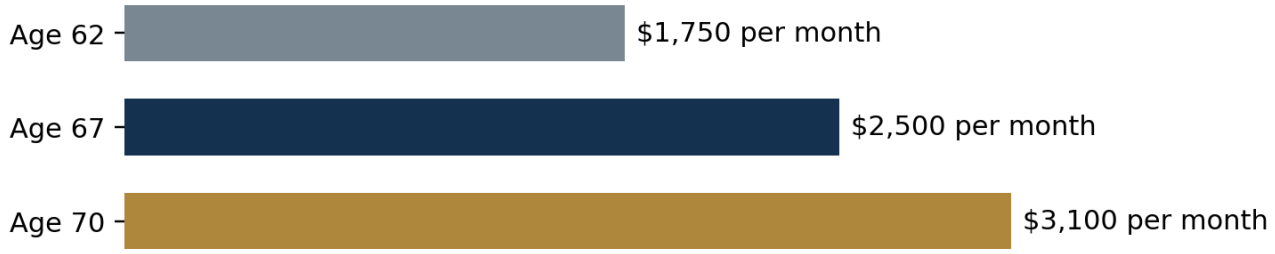


Figure 1 Hypothetical own retirement benefit with full retirement age 67 and a $2,500 monthly benefit at that age: $1,750 at 62, $2,500 at 67 and $3,100 at 70. Gross amounts; future COLAs, taxes and Medicare deductions excluded. [1, 2]

Check your own estimate before choosing a date

Review your Social Security statement and earnings record. Ask how the estimate changes if you stop working earlier than assumed; projected future earnings can affect the result. Use the same earnings and dollar assumptions when comparing ages. Your actual estimate, household income and retirement date matter more than a generic example.

The early reduction generally continues rather than disappearing when you reach 67. Later adjustments, such as credits for benefits withheld under the earnings test, can change the amount. Decide with an understanding of the rules rather than assuming an early filing is only a temporary discount.

Compare lifetime income and the cost of waiting

A higher monthly payment arrives after giving up earlier payments. Break-even analysis asks when cumulative benefits under the later strategy catch up. It is useful for understanding the tradeoff, but it cannot predict your lifespan or tell you which choice best protects your household.

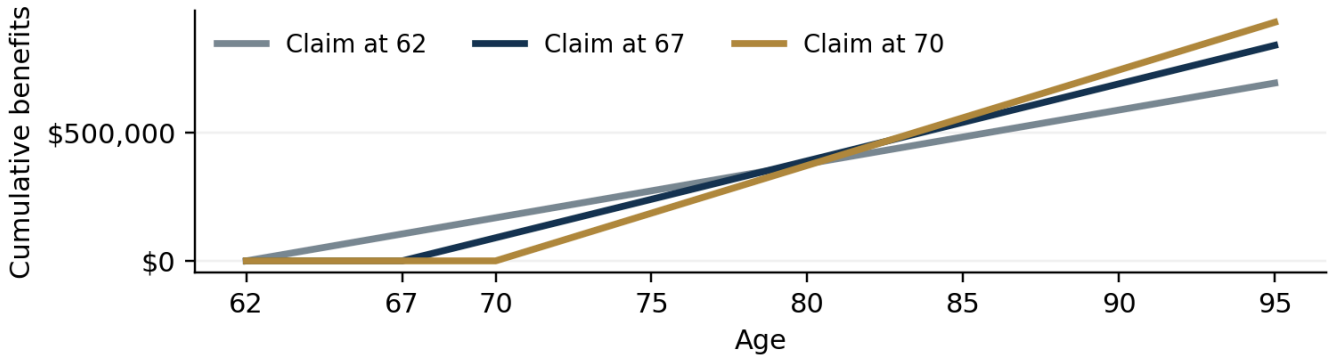


Figure 2 Cumulative benefits from each claim age to the age shown, using the fixed monthly amounts in Figure 1. Zero at the claiming birthday; full months accrue thereafter. No COLAs, taxes, earnings-test withholding, investment returns, discounting or survivor benefits. This is arithmetic, not a forecast.

In this simplified example, claiming at 67 catches up with claiming at 62 at about age 78 years 8 months. Waiting to 70 catches up with claiming at 62 at about 80 years 4 months, and with claiming at 67 at about 82 years 6 months. Exact payment months, taxes, investment opportunity costs and household benefits can change the comparison.

For the 67-versus-70 comparison, you forgo $90,000 over three years: $2,500 × 36 months. The later payment is $600 higher each month. Dividing $90,000 by $600 gives 150 months after age 70, or 12½ years. That calculation does not include what it costs to fund your life while you wait.

Build an affordable bridge to the later payment

Suppose you retire at 67, spend $4,000 per month and have $1,000 in other monthly income, all on a consistent gross basis with a tax allowance on expenses. Waiting until 70 leaves savings to provide $3,000 monthly. That is $108,000

over 36 months before inflation, returns or changing taxes. At 70, the assumed $3,100 Social Security benefit plus $1,000 of other income slightly exceeds the original budget.

This is a separate cash-flow illustration, not the break-even calculation above. It excludes emergency costs and does not show whether the household can afford the bridge. Test the remaining portfolio under weak markets and a long retirement. A strategy that spends too much accessible capital to delay benefits may leave inadequate flexibility later.

Give health and longevity practical weight

A shorter expected lifespan, urgent income needs or limited reserves can make earlier claims reasonable. Strong health, a family history of longevity and an affordable bridge can strengthen the case for delay. For couples, consider the chance that either spouse lives a long time. A larger benefit can help protect late-life spending even when maximizing total dollars is not the only objective.

Compare the amount you can reliably spend under each strategy, the assets left for emergencies and the survivor outcome. Use break-even ages as one input, alongside the consequences you would face if life lasts much longer or less long than expected.

Make a claiming decision for the household

A married couple should compare both records together. The higher earner's filing date can influence a later survivor benefit, so maximizing two separate early checks may not produce the strongest long-term household income. The smaller benefit and any spousal supplement also affect the cost of waiting.

Separate spousal benefits from survivor benefits

A spouse's full spousal benefit can be up to 50% of the worker's full-retirement-age amount, with reductions for early claiming. Delayed credits on the worker's record do not increase that maximum. If you qualify on your own record and as a spouse, you generally receive your own benefit plus any eligible supplement, rather than both full amounts added together. The worker generally must file before a current spouse can receive a spousal benefit. [3]

Survivor benefits follow different rules. They may reflect delayed retirement credits earned by the deceased worker. The survivor generally receives the larger applicable benefit through coordinated payments, rather than continuing both household checks. Survivors claiming age and eligibility matter. Review the actual estimate with SSA instead of assuming a spouse automatically inherits two payments. [4, 9]

An example of income after one spouse dies

Assume both spouses have full retirement age 67. The higher earner's full benefit is $2,500, and the lower earner's own benefit is $900. If both file at 67, the lower earner's eligible spousal supplement brings their total to $1,250. Combined income is $3,750 monthly. If the higher earner instead files at 70, their benefit is $3,100; the lower earner's total with the spousal supplement is still $1,250, for $4,350 combined. [2, 3]

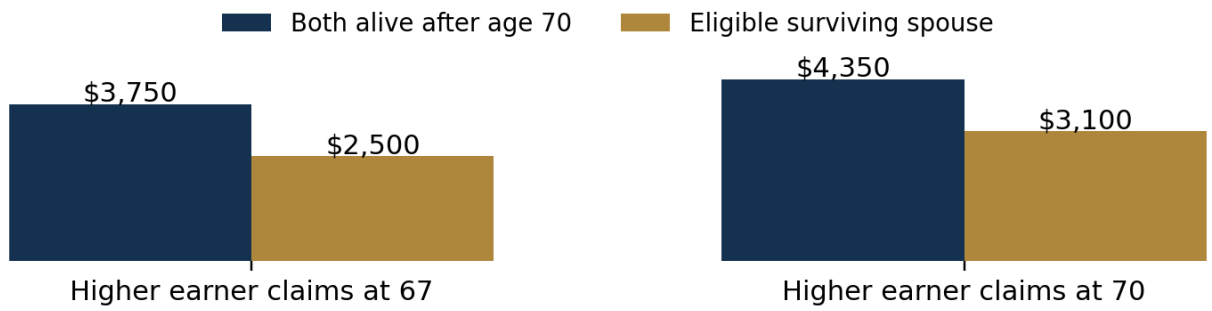


Figure 3 Hypothetical monthly household and survivor amounts, ignoring COLAs, taxes and deductions. Lower earner claims own benefit at 67. Survivor illustration assumes the higher earner dies after 70 and the lower earner qualifies for an unreduced survivor benefit. [2–4]

The later-claiming approach leaves $600 more per month for the eligible surviving spouse in this example: $3,100 rather than $2,500. But during ages 67 through 69, the lower earner receives only their $900 own benefit while the higher earner waits; the spousal supplement does not begin until the worker files. This lost interim income must be included in a full household comparison.

Get help with special family situations

Divorce, remarriage, widowhood, age differences and dependents can change eligibility or timing. Most people approaching retirement cannot use an old “spousal benefits only” strategy to let their own retirement benefit grow; deemed-filing rules usually apply. Survivor benefits can have different sequencing rules. Ask SSA to confirm the benefits you can claim and the effect of each start date. [9, 10]

Account for work taxes and Medicare

The benefit shown on your statement is a gross amount. Work-related withholding, income taxes and Medicare deductions can change what reaches your bank account. Compare net household cash flow before choosing a start date, especially if you plan to work or make substantial retirement-account withdrawals.

Understand the earnings test before full retirement age

Your situation in 2026	Earnings limit and withholding
Under full retirement age all year	$24,480 annual limit; $1 in benefits withheld per $2 above it.
Reach full retirement age during 2026	$65,160 limit for earnings before the full-retirement-age month; $1 withheld per $3 above it.
Beginning with full-retirement-age month	No earnings-test limit on work income.

These are 2026 limits, not permanent figures. Wages and net self-employment earnings generally count; investment income, pensions and annuity payments generally do not. Special first-year rules can apply. SSA recalculates benefits at full retirement age to credit months affected by earnings-test withholding; this is not an immediate dollar-for-dollar refund. [5]

For example, a person under full retirement age all year with $40,000 of counted earnings has $15,520 above the 2026 limit. The illustrative withholding is $7,760, subject to SSA’s administration and any special rules. Check this before relying on a full year of benefit checks. The earnings test is separate from income taxation.

Model taxes across all income sources

Depending on income and filing status, up to 85% of Social Security benefits can be included in federal taxable income. That does not mean an 85% tax rate. The calculation considers other income, certain tax-exempt interest and part of Social Security. IRA withdrawals, Roth conversions and taxable annuity income can affect the result. [6]

Ask for a year-by-year projection rather than looking at Social Security in isolation. A conversion before benefits begin might help one household and create unnecessary tax for another. Consider state treatment, Medicare income-related premiums where relevant and taxes on the assets used to bridge a delay. Use spendable income after those effects when comparing strategies.

Treat Medicare enrollment as a separate deadline

Delaying Social Security does not automatically mean delaying Medicare. Review enrollment around age 65. Qualifying coverage tied to current employment may allow a Part B delay, but retiree coverage and COBRA do not necessarily provide the same enrollment protection. Confirm your enrollment window and coverage coordination; penalties or gaps can result from waiting incorrectly. [7]

Use annuities selectively in a bridge strategy

An annuity may help fund part of the gap, but compare its duration, liquidity, fees, surrender terms and death benefits with cash or bond funding. Lifetime income may address a longer need than a short bridge. An IRA annuity adds no extra tax deferral; guarantees depend on the insurer's financial strength and contract terms. Do not lock up emergency funds simply to postpone Social Security. [8]

Choose a date with a plan for the years around it

Claiming at 62 can fit a household that needs income now or has health concerns and limited resources. Claiming at full retirement age can balance earlier cash flow with an unreduced own retirement benefit. Waiting until 70 can strengthen later monthly income and may improve survivor protection when the waiting years are affordable. None of those choices is universally best.

Prepare your personal comparison

Start with both spouses' SSA estimates, earnings records, planned work dates and monthly expenses. Record which estimates assume future earnings. Identify the earliest date you need income and the assets available before benefits begin. For each claiming strategy, project taxes, healthcare costs, investment withdrawals and the income remaining after either spouse dies.

Compare at least three start dates, and add an intermediate month if it fits your retirement schedule. Stress test a market downturn, unexpected care costs and a longer life. If the later strategy leaves too little accessible capital, revise the bridge or reconsider the start date. If an early strategy creates an unaffordable late-life gap, quantify that risk before filing.

Before applying, confirm eligibility and the desired benefit start month directly with SSA, including when the first payment would arrive. Coordinate Medicare separately and review beneficiary, insurance and estate information. Revisit the plan if your health, employment, marriage or financial circumstances change. Avoid assuming you can freely reverse a filing decision later.

A message from Thomas

At True North Financial Group, I encourage you to view Social Security as part of your retirement income plan. Bring your benefit estimates and budget to a conversation. We can discuss insurance needs and possible income tools, while identifying questions for SSA and your qualified tax and investment professionals. The goal is a claiming decision supported by a workable household budget.

Sources and important information

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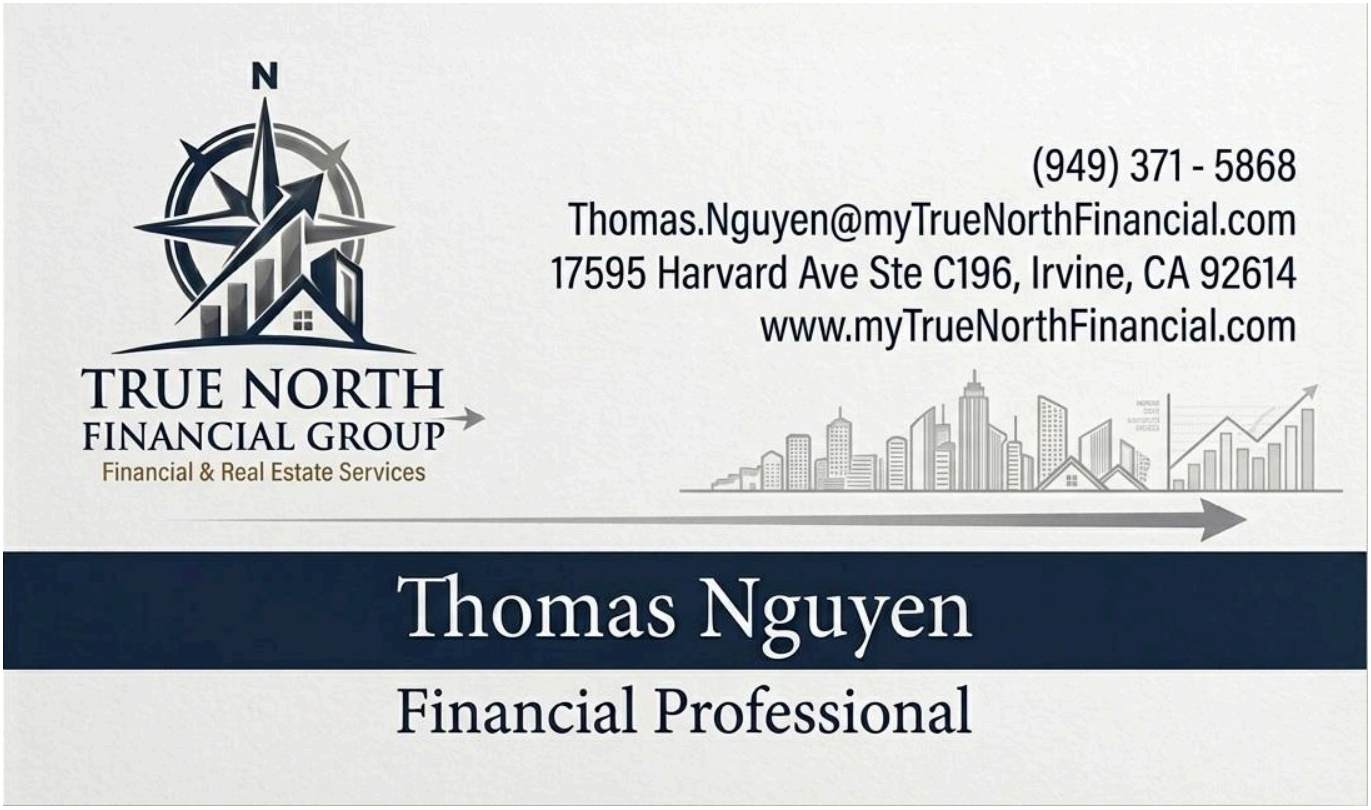
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[9] SSA, What You Could Get from Survivor Benefits. https://www.ssa.gov/survivor/amount

[10] SSA, Spousal Benefits and Deemed Filing. https://www.ssa.gov/faqs/en/questions/KA-01202.html

Sources checked October 21, 2026. General education, not individualized investment, tax, legal or benefits advice. Examples are hypothetical and omit factors identified in captions. Future law and personal circumstances can change outcomes. No product recommendation or annuity quote is provided. Prepared for Thomas Nguyen and True North Financial Group; no Morgan Stanley affiliation, authorship or endorsement is claimed. Confirm personal estimates and eligibility with SSA.


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