Important Questions to Ask Before You Claim Social Security

- Ron Appling
5 Important questions

1. When should I claim (vs. when can I claim)?
2. How can I claim retirement benefits?
3. Where do I get information?
4. What do I need to get my benefits?
5. Where does Social Security fit in my plan?
Q1. When should I claim (vs. when can I claim)?
Everyone knows the earliest age to claim, but is that the right time for you?

- How much income do you need?
- What other income sources are available?
- The longer your wait, the higher the benefit
- Consider life expectancy and longevity
Claiming early locks in permanent reductions

PERMANENT REDUCTION IF CLAIMING BEFORE FULL RETIREMENT AGE (FRA)

Earliest age for surviving spouse benefits

Earliest age to claim
Lock in 25%–30% reduction
Can reduce surviving spouse benefit

Medicare eligibility

Full Retirement Age
Full Social Security benefit available

Maximum benefit
Maximum surviving spouse benefits

DELAYED RETIREMENT CREDITS

Source: Social Security Administration.
Q2. How can I claim retirement benefits?
4 Ways to claim

1. Individual Worker
2. Spouse
3. Ex-Spouse
4. Surviving Spouse
Individual worker

- Maximize benefits at 70?
- Other resources available?
- Continue working?
Spouse

- You are married
- Spouse enrolled in Social Security
- Maximum benefit: half of spouse’s full benefit
- Reduced amount if you claim before FRA
You have a work record and a current spouse

- **Spouse’s PIA**: $1,800
- **50% of Spouse’s PIA**: $900
- **Your PIA**: $650
- **Spousal Addition**: $250

Total benefit cannot exceed 50% of your spouse’s Primary Insurance Amount (PIA) for illustrative purposes only and based on Social Security rules in effect at the time of publication, and subject to change at any time. All figures assumed to be pretax.
Ex-spouse

- Marriage for 10 years
- You have not remarried
- Both at least age 62
- Divorced 2+ years or ex is claiming
Ex’s can claim on each other’s records

Cannot exceed 50% of ex-spouse’s PIA

Reduced payment if you claim before your FRA

Confidentiality:
- Between you and the SSA
- Marriage certificate
- Divorce decree
- Ex’s SSN
- Other required proof and documentation
Surviving Spouse or Surviving Ex-Spouse

Your spouse dies → You “step into his/her shoes” → Your ex-spouse dies if you were married 10+ years and did not remarry before age 60

When the higher-earning spouse / ex dies first
Survivor benefit considerations:

• Survivor benefits available as early as age 60
• Early claims will be reduced
• Can switch between survivor and individual benefits
• You are responsible for notifying the SSA
Q3. Where do I get information?
Social Security website: SSA.gov
UC and Fidelity Resources

CLAIMING SOCIAL SECURITY: HELPFUL TIPS

Choosing when to start claiming Social Security benefits is an important decision, with pros and cons for every option. This guide will help you make an informed decision.

When should you claim SOCIAL SECURITY?

If you are 50 or over, it's a good time to start thinking about how Social Security fits into your overall plan. The right strategy could mean a significant difference in your retirement benefits, so let us show you an example of how you can get the most for your future.

I WAS BORN MM/DD/YYYY

SUBMIT
Q4. What do I need to get my benefits?
You must first qualify for Social Security

1. You paid into Social Security
2. You earned at least 40 "credits"
3. Reach age 62
You need to know your Full Retirement Age

<table>
<thead>
<tr>
<th>If you were born in…</th>
<th>Your full retirement age is…</th>
</tr>
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<tbody>
<tr>
<td>1943–1954</td>
<td>66 years</td>
</tr>
<tr>
<td>1955</td>
<td>66 years, 2 months</td>
</tr>
<tr>
<td>1956</td>
<td>66 years, 4 months</td>
</tr>
<tr>
<td>1957</td>
<td>66 years, 6 months</td>
</tr>
<tr>
<td>1958</td>
<td>66 years, 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 years, 10 months</td>
</tr>
<tr>
<td>1960 or later</td>
<td>67 years</td>
</tr>
</tbody>
</table>

Source: Social Security Administration
You need to understand the implications

Average of your 35 highest-earning years

Actuaries determine PIA

Claiming Age

Not waiting:
Permanent reduction
As much as 30% less

Waiting:
Increases until age 70
Up to 32% more
Q5. Where does Social Security fit in my plan?
When you claim Social Security can have a significant impact on your savings

<table>
<thead>
<tr>
<th></th>
<th>Social Security</th>
<th>Your Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FRA</strong> (Full Retirement Age)</td>
<td>$1,800</td>
<td>$2,200</td>
</tr>
<tr>
<td><strong>Age 70</strong></td>
<td>$2,232</td>
<td>$1,768</td>
</tr>
<tr>
<td><strong>Age 62</strong></td>
<td>$1,260</td>
<td>$2,740</td>
</tr>
</tbody>
</table>

Hypothetical example to illustrate how different Social Security claiming dates deliver different income amounts. Assumes FRA is 67. Essential expense need is $4,000 per month.
Deciding when to claim is a key piece of your retirement income plan.

- How long you may live
- Impact on your survivors
- Your overall financial situation
Next steps

Attend Social Security classes available at myUCretirement.com/classes

Get your Social Security Statement at SSA.gov

Read articles on Social Security at myUCretirement.com

Schedule a planning session in person or over the phone 800-558-9182
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