

Five Questions About Your Social Security Benefits

Understand how Social Security fits into your retirement savings portfolio so you can get the most out of your benefits.

Your Social Security benefits are an important part of your retirement income, along with your workplace retirement savings and personal savings. If you paid into Social Security and are eligible for your benefits, your Social Security benefits will vary, depending on factors such as the date you were born, how much you contributed through taxes and when you start taking your benefits.

Here are five questions to ask yourself before taking Social Security:

1. Are Social Security benefits taxable?

Social Security benefits are subject to federal income tax, based on your total income. You may also need to pay state taxes, depending on where you live in retirement. See the table to the right to see which states tax Social Security benefits. Of course, the specific taxes you pay also depend on your own unique circumstances, but it's something to consider when choosing when to start receiving your benefits.

2. How's your health?

If you're in good health and have enough monthly income to cover your expenses, consider delaying your Social Security benefits so you can receive the maximum amount of money. If you have health challenges, starting your benefits sooner might be a better option.

3. Is it better to start benefits as soon as you're eligible?

Starting your Social Security benefits as soon as you're eligible may sound like the best option, right? In reality, that might not always be the case. For example, if you start your benefits at age 66, you could receive \$1,650 per month. But did you know that if you delay your benefits until age 70, your benefits could be \$2,400 per month?

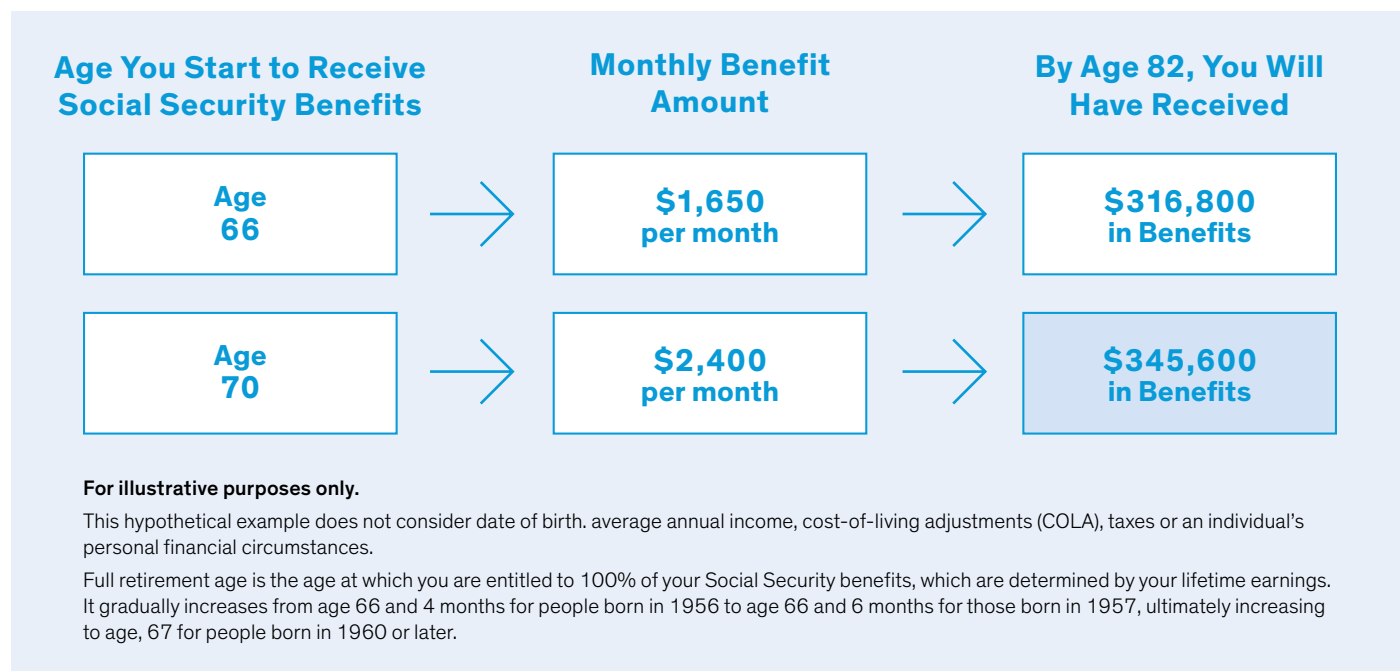
If you live until age 82, for example, you would receive more benefits in total by starting your benefits at a later age than at an earlier age. Of course, no one knows how long they're going to live, but looking at the numbers can help you decide when you should start your benefits. See the chart on page two to learn how delaying Social Security affects your benefit amount.

States that Tax Social Security Benefits

- Colorado
- Connecticut
- Kansas
- Minnesota
- Missouri
- Montana
- Nebraska
- New Mexico
- Rhode Island
- Utah
- Vermont
- West Virginia

Does Delaying Social Security Affect Your Benefit Amount?

If you wait until age 70 to take your Social Security benefits, by age 82 you will have received an additional \$28,800.



4. What is the spousal benefit?

Each member of a married couple receives Social Security benefits based on their individual work histories. But if one spouse passes away, the survivor keeps the larger of the two benefits.

5. Do you have debt or additional income sources?

It's a good idea to look at your personal financial situation before deciding when to take Social Security. Do you have loans or pay a mortgage? Do you have other sources of income such as an investment or retirement savings account or a pension that can help support you in retirement? If you have enough income sources and your debt is manageable, you may want to delay receiving your Social Security benefits, so you can receive the maximum amount.

Do a Social Security “Check-In”



Visit ssa.gov to see the Social Security benefit amount you would receive at different retirement ages—then decide what’s right for you.



Assess your overall financial portfolio and think about expected and unexpected monthly expenses you may have in retirement.



Consider whether you will continue to work after starting benefits. If you’ve reached full retirement age, you can keep working with no impact to your benefits.



Mark your calendar! No matter when you start taking your Social Security benefits, don’t forget to apply for Medicare within three months of your 65th birthday or you may have to wait to sign up or pay a late enrollment penalty.

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