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Wondering When to Take Social Security?

MarketWatch

By Melody Juge | MarketWatch – Fri, Feb 1, 2013 12:50 PM EST

Every day thousands of boomers are thinking, wondering and talking about when they should begin taking their Social Security benefit. It seems that social security is on everyone's mind.

There are different points of view on this, but the decision is actually an easy one to make. Your answer can be found in yet another question, when do you really need the money to support your living expenses?

The longer you wait the more you will receive each year

I am a strong advocate for working longer and waiting until you are 70-plus to begin collecting your Social Security. In most cases the primary reason to wait to collect your benefits is the receiving of a higher annual income that will better support your living expenses on your retirement journey.

Your personal journey of total retirement may be a long one, 30 years or more. During those years the income that you will need annually to support your lifestyle and living expenses will become much more important to you than collecting your benefits early.

I want it now, I could die tomorrow

On taking Social Security earlier than age 70, the argument I sometimes hear is: "I want my money now, I could die tomorrow. I don't want to wait."

OK. But, consider this, you may not die soon. Increased longevity is a major issue for boomers. Medical science and our knowledge of living healthier lifestyles through exercise and diet are contributing to the increase in our life spans. You just might be one of the many that will be very much alive for the next 30-plus years. If you are, then you will most likely be needing and wanting as much annual income as possible. For many people Social Security will contribute a substantial portion of their on-going income requirement.

Let your income requirements lead the way

I recommend that you let your lifestyle requirements govern this decision. Here is what I mean by that: if you are financially comfortable and don't need the social security benefit right now to support your income needs then you can afford to wait. If you are unsure take a look at my previous article titled, "[12 steps to jump start your retirement plan.](#)"

Here is a sample calculation to show the difference in annual income from Social Security benefits at age 65 versus age

70. I used the [Social Security Quick Calculator](#). This is a fun easy calculator. I encourage you to try it.

I entered the following information: \$125,000 as the last year's income and retiring at age 65, this showed a social security benefit of \$26,112 per year (\$2176 x 12 months). The calculation for waiting until age 70 showed a total of \$39,216 in an annual benefit (\$3,268 x 12 months). The difference is \$13,104 of spendable income annually. That is a substantial amount of money to add to your on-going annual retirement income, don't you think?

If you are healthy and enjoy your work and can continue working until age 70 or in some cases longer, then you will maximize your social security benefit . There is a vast amount of research that supports the premise that if you enjoy your work and you continue to work, you will be healthier, happier and live longer.

Enjoy the process. Make it fun. Let me know what you plan on doing.

Note: If you do choose to wait be sure to remember that you **MUST** sign up for Medicare at 65. Medicare sign-up is one of the most important issues that need to be addressed by those delaying Social Security until age 70.

There is an exception: if you work for a company that has more than 20 employees. However, that health plan just might require that you apply for Medicare so be sure to check this out for yourself.

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