LESSON · SOCIAL SECURITY

When Should You Claim Social Security?

Claim at 62 and you lock in a smaller check for life. Wait until 70 and every year you delay adds a permanent raise. Here's the actual tradeoff in dollars — and why “breakeven age” isn't the whole story.

Read time: 8 minutes **Level:** Foundational **Includes:** Knowledge check

Social Security is the one retirement income source almost everyone has, and the claiming decision is one of the few genuinely irreversible choices in a retirement plan — there's a narrow, one-time window to withdraw an application within 12 months, but past that, the age you lock in is the age you keep for life. You can claim as early as 62 or as late as 70, and the difference between those two ages is a permanently smaller or permanently larger check for the rest of your life, not just a temporary adjustment.

It's tempting to treat this as a math problem: figure out your "breakeven age" and claim accordingly. That math is fine as far as it goes, but it misses what Social Security actually is — the only income source in most retirement plans that's guaranteed for life, automatically adjusted for inflation, and backed by the federal government rather than a portfolio's performance.

The three ages that matter

AGE 62

Earliest — permanently reduced

Claiming as soon as you're eligible locks in a benefit that's roughly 25–30% lower than your Full Retirement Age (FRA) amount, depending on your birth year — and that reduction is permanent, not temporary. It doesn't step back up once you reach FRA.

The tradeoff: more years of checks, but a smaller check for every one of them, including any years your spouse might collect a survivor benefit based on your record.

FULL RETIREMENT AGE

66–67, depending on birth year

This is your unreduced, "full" benefit — the number your Social Security statement shows as your primary benefit amount. For anyone born in 1960 or later, FRA is 67; it's 66 and a few months for people born in the years just before that.

The tradeoff: the baseline most claiming strategies compare against. No early-claiming reduction, no delayed-claiming credit.

AGE 70

Maximum benefit

Every year you delay past Full Retirement Age adds delayed retirement credits — worth about two-thirds of one percent per month, or roughly 8% per year — up until age 70, where the credits stop entirely. There's no additional benefit to waiting past 70, so that's the latest a claiming decision should ever be delayed.

The tradeoff: you need other income or assets to cover the years between retiring and age 70 — but the payoff is a materially larger, inflation-adjusted check for as long as you or a surviving spouse live.

What this looks like in dollars

Worked example

Say your Full Retirement Age benefit is $2,400/month. Claiming at 62 would reduce that to roughly $1,680/month — locked in for life. Waiting until 70 would grow it to roughly $2,976/month (using the 24% delayed-credit math for someone with an FRA of 67). That's a difference of nearly $1,300 a month, or over $15,000 a year, between the earliest and latest claiming ages — for identical lifetime earnings.

The earnings test — a detail that trips people up

If you claim before Full Retirement Age and keep working, Social Security temporarily withholds part of your benefit once your earnings cross an annual threshold — historically around $1 withheld for every $2 earned above the limit, with a more generous threshold in the calendar year you actually reach FRA. These dollar thresholds adjust most years, so they're worth checking for the current year rather than assuming last year's number still applies. It's also not truly "lost": withheld amounts are credited back into your benefit calculation after you reach FRA, in the form of a slightly higher ongoing check — but the cash-flow hit in the meantime surprises a lot of people who claimed early while still working full-time.

Why "breakeven age" isn't the whole story

Breakeven analysis asks: if I claim early and invest the difference, versus claim late and get bigger checks, at what age does the late-claiming strategy catch up? It's a reasonable question — but it quietly assumes Social Security is just an investment to be optimized, and treats your own lifespan as the only variable that matters.

In practice, two things get left out of that math almost every time:

- **It's longevity insurance.** The risk that matters most in retirement isn't dying too soon — it's living longer than your savings last. A larger, delayed Social Security check is the one piece of the plan that keeps paying no matter how long you live, and it's the one piece inflation can't quietly erode, since benefits carry an annual cost-of-living adjustment.
- **It's survivor insurance, too.** When one spouse dies, the survivor keeps the larger of the two Social Security checks — not both, and not an average. If the higher earner delayed claiming and locked in a bigger benefit, that's the amount the surviving spouse lives on for the rest of their life, however long that turns out to be — potentially decades, if there's an age gap between spouses.

If you're married, this is really two decisions

The lower earner's claiming age mostly affects household cash flow in the near term — claiming early brings money in sooner without touching the amount the survivor eventually depends on. The higher earner's claiming age determines the survivor benefit the whole household is protected by later. Those two decisions are worth thinking through separately, not as one combined "when should we claim" question.

Divorced or widowed? The rules change

If you were married 10 years or longer and are currently unmarried, you may be able to claim a benefit based on an ex-spouse's earnings record — without affecting what your ex-spouse or their current spouse receives, and without your ex-spouse needing to have claimed yet (if you've been divorced at least two years). Widows and widowers have their own separate set of rules: a survivor benefit can start as early as age 60 (age 50 if disabled), and in some situations it makes sense to claim a reduced survivor benefit first and switch to your own, larger retirement benefit later, or vice versa — a sequencing decision that's easy to get backwards without running the numbers both ways.

How Blueprint approaches this

Because the claiming decision depends on so much personal detail — health, other income sources, marital and survivor status, whether you're still working before Full Retirement Age — Blueprint models Social Security claiming as its own dedicated calculator, separate from the core paycheck plan. That keeps the core Blueprint focused on its main job: sizing a paycheck you can count on, whatever you decide about claiming age.

Before you claim, check:

- [ ] Your actual Full Retirement Age (it depends on your birth year, not a flat "65" or "67")
- [ ] Whether you'll still be working before FRA — earnings above the current-year limit can temporarily withhold part of your benefit
- [ ] If married, whose claiming age drives the eventual survivor benefit
- [ ] If divorced or widowed, whether an ex-spouse or survivor benefit applies to your situation
- [ ] Whether other assets can bridge the gap if you delay past 62 or FRA

KNOWLEDGE CHECK

Test what you just learned

Answer four quick questions to test what you just learned.

1. What happens if you claim Social Security at 62 instead of your Full Retirement Age?

> A. Nothing changes — the benefit amount is the same
> B. Your benefit is permanently reduced, for as long as you collect it
> C. Your benefit increases to make up for the earlier start

2. What's the main reason breakeven-age math can be misleading on its own?

> A. It doesn't account for annual cost-of-living adjustments
> B. It treats Social Security like a pure investment and ignores that it's also longevity and survivor insurance
> C. Breakeven age calculations are not allowed by the Social Security Administration

3. For a married couple, whose claiming age has the biggest effect on the eventual survivor benefit?

> A. The lower earner's claiming age
> B. The higher earner's claiming age
> C. Claiming age has no effect on survivor benefits

4. If you claim before Full Retirement Age and keep working above the earnings-test threshold, what actually happens to the withheld amount?

> A. It's lost permanently
> B. It's credited back into a higher benefit once you reach Full Retirement Age
> C. It's paid as a lump sum the following year

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