



RSSA® CERTIFIED ANALYSIS

The Social Security Timing Guide

*How to Claim Up to \$182,000 More
in Lifetime Benefits*

When you claim Social Security is the single most important financial decision of your retirement. This guide reveals exactly how timing affects your lifetime income — and how to get it right.

\$182K

MAX LIFETIME DIFFERENCE

8 Years

OPTIMAL WINDOW

567

CLAIMING COMBINATIONS

What You'll Learn

- 01 The \$182,000 Timing Trap**
Why claiming at 62 costs more than most people realize

- 02 Your Three Claiming Ages**
62, Full Retirement Age, and 70 — how each changes your monthly check

- 03 The Break-Even Analysis**
How to calculate the exact age where waiting pays off

- 04 Spousal & Survivor Strategies**
How married couples can coordinate claims to maximize lifetime income

- 05 7 Factors That Change Everything**
Health, other income, taxes, and 4 more variables that shift the optimal date

- 06 Your Next Step: A Personalized Analysis**
How Rodney's RSSA® analysis gives you a definitive, custom answer

The \$182,000 Timing Trap

Social Security gives you a choice: claim early, on time, or late. Most people choose early — often without realizing what that decision costs them over a lifetime.

"Claiming Social Security at 62 instead of 70 can result in a 30–76% reduction in your monthly benefit — permanently."

— Social Security Administration

Here's a concrete example. Let's say your Full Retirement Age (FRA) benefit is \$2,400/month:



Over 20 years of retirement, that difference between claiming at 62 vs. 70 adds up to **\$186,240** in lifetime benefit. For many people, the optimal choice isn't obvious — and the wrong choice is permanent.

Your Three Claiming Ages

Social Security has three landmark ages that define your choices. Understanding what happens at each one is the foundation of any good strategy.

62

Age 62 — Earliest Eligibility

The earliest you can claim. Benefits are permanently reduced by up to **30%** from your FRA amount. There's also an earnings limit: if you work and earn more than ~\$22,320/year, SSA withholds \$1 for every \$2 over the limit. Best for those with shortened life expectancy or urgent financial need.

FRA

Full Retirement Age (FRA) — 66–67, Born After 1960 = 67

The age SSA considers "full" retirement — you receive **100% of your earned benefit**. No earnings limit applies. Survivor benefits paid to a widow/widower are also calculated based on this amount. For many people, FRA is the "safe" default — but it's rarely optimal.

70

Age 70 — Maximum Benefit

Delayed Retirement Credits increase your benefit by **8% per year** beyond FRA — up to age 70. After 70, no more credits accumulate, so there's no reason to wait longer. For healthy individuals with other income to bridge the gap, age 70 can be the highest-value choice over a typical retirement horizon.

Key insight: The 8% per year Delayed Retirement Credit is a guaranteed, risk-free "return" on every year you wait past FRA. That's higher than most bond yields — and it's inflation-adjusted for life.

The Break-Even Analysis

The "break-even age" is the age at which cumulative lifetime benefits from waiting equal what you would have collected by claiming early. If you live past this age, waiting wins. If you don't, early claiming wins.

ILLUSTRATIVE EXAMPLE: FRA BENEFIT = \$2,400/MONTH

Claim at **62** vs. Claim at **FRA (67)**

Break-even: ~Age 78

Claim at **FRA (67)** vs. Claim at **70**

Break-even: ~Age 80

Claim at **62** vs. Claim at **70**

Break-even: ~Age 82

WHAT AVERAGE LONGEVITY SAYS

A healthy 62-year-old man has a 50% chance of living past 85. Women: past 87. Most people will live past the break-even age — making delayed claiming statistically advantageous for the average retiree.

WHEN EARLY CLAIMING WINS

If you have significant health issues, no other income sources, or a spouse with a substantially larger benefit, early claiming may genuinely be the right choice. This is why personalized analysis matters.

Important: The "simple" break-even math ignores taxes, spousal strategies, investment returns, Medicare premiums (IRMAA surcharges), and other income. A true optimization requires modeling all of these simultaneously — which is exactly what an RSSA® analysis does.

Spousal & Survivor Strategies

For married couples, coordinated claiming can dramatically increase lifetime household benefits. There are actually 567 different claiming combinations for married couples — and there is only one optimal solution for each unique situation.



The Survivor Benefit Strategy

The higher earner delaying to 70 creates a larger "base benefit" — because the surviving spouse inherits the *higher* of the two benefits. By maximizing the higher earner's benefit, you guarantee a larger survivor check for life after one spouse passes.



Income Bridging Strategy

The lower-earning spouse claims early (generating some household income) while the higher earner continues to delay and grow their benefit. This "bridge" approach can increase total household lifetime income by \$40,000–\$80,000.



Divorced Spousal Benefits

Divorced after 10+ years of marriage? You may be entitled to up to 50% of your ex-spouse's benefit — without affecting their payment. This little-known rule can significantly impact the optimal claiming age for divorced individuals.

Bottom line for couples: Coordinated spousal claims are the single largest lever available for increasing lifetime Social Security income. Without analysis, most couples leave significant money on the table.

7 Factors That Change Everything

Break-even math alone doesn't tell you when to claim. These seven variables shift the optimal date — sometimes significantly.



1. Your Health & Family Longevity

Chronic conditions, family history, and current health status all impact your likely lifespan — and therefore which break-even scenario applies to you.



2. Other Retirement Income Sources

A pension, 401(k) income, or part-time work changes whether you "need" Social Security early or have the luxury of waiting for a larger check.



3. Income Taxes on Benefits

Up to 85% of Social Security benefits may be taxable. Claiming later while drawing down traditional IRA funds can actually reduce your total tax burden in retirement.



4. Medicare IRMAA Surcharges

High-income retirees pay income-adjusted Medicare premiums. How you time SS alongside IRA withdrawals can prevent or trigger costly IRMAA surcharges.



5. Inflation & COLA Adjustments

Cost-of-Living Adjustments apply to your base benefit — which means a higher base benefit at 70 generates larger COLA increases in dollar terms every year inflation rises.



6. Your Portfolio Withdrawal Rate

If waiting requires drawing down a large portfolio, sequence-of-returns risk matters. Sometimes the "optimal" math answer isn't the right behavioral answer for your sleep-well-at-night factor.



7. WEP & GPO — If You Receive a Government Pension

The Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) can substantially reduce benefits for teachers, police, firefighters, and other government employees. These rules require special analysis to navigate correctly.

Your Next Step: A Personalized Analysis

This guide covers the fundamentals — but there is exactly one optimal Social Security strategy for *your* specific situation. It depends on your actual benefit statement, your health, your spouse's situation, your other income, your tax picture, and dozens of other variables.

As a **Registered Social Security Analyst® (RSSA®)**, Rodney Denno runs a professional analysis that models all 567 claiming combinations and delivers a clear, documented recommendation — typically in a single meeting.

- ✓ Analysis of all your claiming options, not just the obvious ones
- ✓ Spousal and survivor benefit coordination if you're married
- ✓ Tax-aware modeling with your IRA, pension, and other income
- ✓ Written report with your specific optimal claiming date and reasoning
- ✓ Free initial consultation to review your situation

"The right Social Security strategy is worth more than most people realize — and it only takes one meeting to get it right."

— Rodney Denno, RSSA® | Legacy Wealth Services

 **Schedule Your Free Consultation**

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