

Social Security Income Crossover

By Rocky Mills, North Ranch Resident

SOCIAL SECURITY BENEFITS

Age	Date	Location
		Zip

financial fitness

“Should I take my SSI early or delayed?”

When should you start taking your Social Security income? Those of you facing this question (i.e. you were born between 1946 & 1954) have choices. You can take it:

EARLY ... starting at age 62

FRA (Full Retirement Age) ... starting at age 66

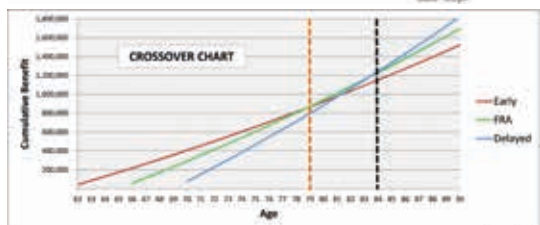
DELAYED... starting at age 70



Your choice determines your benefit:

Obviously, if you take it early, you'll get a lower benefit amount for the

rest of your life, but you'll start to draw the funds sooner. On the other



hand, if you take a delayed payment, you'll get paid at a higher rate but will have missed out on several years of payments. So what's the right answer?

One valuable input to this question is the CROSSOVER point. This answers the question: When will the cumulative benefits of one choice surpass another?

In the chart above, we've looked at a couple who are both currently 62. In this case, the husband's FRA benefit is \$2700/month; the wife's \$2000/month. We assumed a cost-of-living adjustment (COLA) of 1.5% per year. The vertical orange dashed line shows that if they live past age 79, they're better off with FRA than EARLY. And the black dashed line shows that if they live past age 84, they're better off taking DELAYED than FRA. Then comes the tough question: what's your best guess on your longevity?

Robert A. "Rocky" Mills is a registered representative with and securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Westlake Investment Advisors, a registered investment advisor and separate entity from LPL Financial.

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