



# RE-THINK THE VALUE OF YOUR SOCIAL SECURITY



# DOES IT MATTER WHEN I START RECEIVING BENEFITS?

**YES!**

Many people think that you should start collecting Social Security benefits as soon as you are eligible. You can, but every situation is different. Keep reading to learn more about some key factors that you should consider before making this decision.

You can start receiving your Social Security benefits as early as the age 62. However, you are not entitled to full benefits until you have reached full retirement age (FRA). Per the chart below, the age that you are considered FRA is dependent upon the year you were born. The age will gradually increase over the years. In 2027, the FRA will be 67.

## Full Retirement Age (FRA) by Year of Birth<sup>1</sup>

<i>Year of Birth</i>	<i>Full Retirement Age</i>	<i>Year of Birth</i>	<i>Full Retirement Age</i>
<i>1937 or earlier</i>	65	<i>1955</i>	66 and 2 months
<i>1938</i>	65 and 2 months	<i>1956</i>	66 and 4 months
<i>1939</i>	65 and 4 months	<i>1957</i>	66 and 6 months
<i>1940</i>	65 and 6 months	<i>1958</i>	66 and 8 months
<i>1941</i>	65 and 8 months	<i>1959</i>	66 and 10 months
<i>1942</i>	65 and 10 months	<i>1960 or later</i>	67
<i>1943</i>	66		

Before you make your decision, there are advantages and disadvantages to collecting your benefits before you reach FRA. The age you decide to start collecting will set the benefit amount that you will collect for the rest of your life. Here are some quick facts to help you to make the decision that fits your lifestyle.

## Collect immediately or wait

If you opt to collect right away, you will be able to collect for a longer period of time; however, your benefit will be smaller for the rest of your life. If you wait until you have reached FRA, you will collect for a shorter period of time, but your benefit will be larger. If you decide to wait even later than your FRA, you may be eligible for delayed retirement credits. Your Social Security benefits are increased by a certain percentage for each month you delay starting your benefits beyond FRA. The benefit increase stops at age 70.

1. If you were born on January 1st, you should refer to the previous year. Source: Social Security Administration, [www.ssa.gov/benefits/retirement/planner/agereduction.html](http://www.ssa.gov/benefits/retirement/planner/agereduction.html)

## Other things to consider

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### Are you still working?

- If you plan to continue working while receiving benefits, there is a limit on how much you can earn each year between age 62 and FRA and still get all of your benefits.
- Once you reach FRA, your earnings do not affect your benefits.
- After you reach FRA, your benefits will be recalculated to give you credit for any months you did not receive a benefit because of your earnings.

### What is your life expectancy?

- Since the Social Security program began in 1940, life expectancy for men reaching age 65 on April 1, 2020, has increased more than 6 years to age 84. For women reaching age 65 on April 1, 2020, life expectancy has increased nearly 7 years to age 86.5.<sup>2</sup>
- If you come from a long-lived family, you may need the extra money in the later years especially if you may outlive pensions or annuities with limits on how long they are paid.
- If you are not in good health, you may think about collecting benefits sooner rather than later.

### Will you still have health insurance?

- If you come from a long-lived family, you may need the extra money in the later years, especially if you may outlive pensions or annuities with limits on how long they are paid.
- If you are not in good health, you may think about collecting benefits sooner rather than later.



**If you decide to delay your benefits until after age 65, you should still apply for Medicare benefits within three months of your 65th birthday. If you wait longer, your Medicare medical insurance (Part B) and prescription drug coverage (Part D) may cost you more money.<sup>3</sup>**

2. Source: Social Security Administration, [www.ssa.gov/benefits/retirement/planner/otherthings.html](http://www.ssa.gov/benefits/retirement/planner/otherthings.html)

3. Source: Social Security Administration, [www.ssa.gov/benefits/retirement/planner/agereduction.html](http://www.ssa.gov/benefits/retirement/planner/agereduction.html)

## Are you eligible for benefits because of someone else?

- Do you qualify for benefits as a widow, widower, or a surviving divorced spouse on another record? You may choose to apply for survivor's benefits now and delay your retirement benefits until later.
- You can choose to receive only the spouse's benefit and delay receiving your retirement benefit until a later date if:
  - You were born before January 2, 1954.
  - Have already reached your full retirement age.
  - Are eligible for a spouse's or divorced-spouse's benefit and your own retirement benefit.
- If your birthday is January 2, 1954, or later, the option to take only one benefit at full retirement age no longer exists. If you file for one benefit, you will be effectively filing for all retirement or spousal benefits.<sup>4</sup>

**If you are receiving early retirement from your employer, keep in mind that some companies pensions include a Social Security equivalent supplement that stops automatically at age 62. It may be assumed that you will apply for your retirement benefits at age 62.**

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4. Source: Social Security Administration, [www.ssa.gov/benefits/retirement/planner/otherthings.html](http://www.ssa.gov/benefits/retirement/planner/otherthings.html)

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