

3 Reasons to Take Social Security at 62

My Comments: To all this, I will add another reason to take your benefits early.

Reason #4 is for those people who are single, likely to remain that way, and have a serious health issue. If there is reason to think you might not live into your 80's, take the money now and use it well.

by Dan Caplinger \ October 15, 2018 \ <https://tinyurl.com/dn45cyn8>

As people approach retirement, it's natural to want to claim Social Security as soon as possible. Even though waiting beyond the earliest claiming age of 62 for retirement benefits can give you larger monthly checks, you still have to make it through months or even years without getting anything at all from the program.

The trade-offs between more benefits later or collecting benefits sooner can be tough to analyze. But there are a few situations in which it generally makes a lot of sense to look closely at making the decision to take Social Security at 62. Here are a few of the most important ones that millions of retirees and near-retirees face all the time.

1. When a family member is waiting on you to claim

In order for a spouse, child, or other eligible family member to collect benefits based on your work history, you have to have filed for your own retirement benefits first. This wasn't always the case, because retirees could use strategies like file-and-suspend to activate spousal or children's benefits while retaining the right to get a larger retirement payment in the future. Recent law changes put this restriction on nearly everyone seeking to claim family benefits.

This most often comes up in one-earner families in which the nonworking spouse is older than the working spouse. For instance, someone who's four years older than you are might have to wait until 66 to claim spousal benefits just to give you time to make it to the minimum age of 62 for claiming early benefits. Waiting even longer than that might not be a good option for your spouse in that situation.

Also, children's benefits tend to be available only for a short period of time -- until the child turns 18 or graduates from high school. For those relatively

rare situations in which a child is still below that age when you hit 62, claiming immediately could be the only way to get those children's benefits on top of regular retirement payments.

2. When a surviving spouse wants to maximize total benefits

Unlike most benefits, a surviving spouse can make separate decisions about when to claim survivor benefits based on the deceased spouse's work record and when to claim the surviving spouse's own retirement benefit. Therefore, it often makes sense to claim retirement benefits early while letting the survivor benefits continue to grow by waiting before claiming them as well.

At first glance, it might seem like this would result in smaller checks than what you'd get if you claimed all your benefits at once. But because of the way that Social Security calculates payments, you can often get almost as much just by claiming one of your benefits and then get more money later when the other benefits have grown. This is one of the only situations in which Social Security essentially lets you have your cake and eat it too.

3. When you'll have to give up your benefits because of a public pension

One of the most hated Social Security provisions involves employees who work in the public sector in a state that doesn't participate in Social Security. Through the Windfall Elimination Provision, you can lose as much as \$447.50 per month in Social Security benefits if you had a career of 20 years or less for a private employer before going to work in the public sector. In some extreme cases, this can eat up your entire Social Security payment, although the reduction is also limited to one-half of your public pension.

If you become eligible for public pension benefits only at a later age, then claiming Social Security before that age can give you a brief period of full payments from the program. When pension benefits start getting paid later on, the Social Security Administration won't go back and take away your past Social Security, as the Windfall Elimination Provision only applies to current and future payments.

Make the right choice

There are plenty of situations in which waiting to take Social Security until well beyond 62 is the smartest move. However, that's not always the case. In these particular cases, claiming early can sometimes be the best decision you could make.