

■ Social Security Timing Playbook

When to Claim, Spousal Benefits, and the Break-Even Analysis Most Advisors Skip.

- ✓ How your benefit changes at 62, 67, and 70
- ✓ Break-even age calculation — done for you with real numbers
 - ✓ Spousal and survivor benefit strategies for couples
 - ✓ How work income affects your benefit before FRA
 - ✓ How Social Security is taxed — and how to reduce it
 - ✓ 5 claiming strategies with pros, cons, and numbers

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Educational reference only — not financial or legal advice

INTRODUCTION

The \$100,000 Decision You Can't Undo

When to claim Social Security is one of the biggest financial decisions of retirement. Claim too early and you could forfeit hundreds of thousands over a long life. Wait too long and poor health could mean you leave money on the table. This guide gives you the numbers and framework to make the right call.

■ Key 2026 Numbers

Full Retirement Age (FRA): 67 for those born 1960 or later. Maximum monthly benefit at age 70: \$5,108. Maximum monthly benefit at FRA (67): \$4,018. Minimum benefit at 62: approximately 70% of your FRA benefit. COLA increase for 2026: 2.5%

How Your Benefit Is Calculated

Your SS benefit is based on your 35 highest-earning years (indexed for inflation). Fewer than 35 working years means zero-income years are averaged in, lowering your benefit. The formula applies bend points that give proportionally more to lower-income workers.

■ *TIP: Check your Social Security statement at ssa.gov/myaccount. Verify your earnings record — mistakes are common and can reduce your benefit permanently.*

SECTION 1

Claiming at 62, 67, or 70 — Real Numbers

Using a person with a \$2,000/month Full Retirement Age benefit as an example, here is exactly what claiming at each age means:

Claim Age	% of FRA	Monthly Benefit	Annual Benefit	vs. FRA
62	70%	\$1,400	\$16,800	-\$600/mo (-30%)
63	75%	\$1,500	\$18,000	-\$500/mo (-25%)
64	80%	\$1,600	\$19,200	-\$400/mo (-20%)
65	86.7%	\$1,734	\$20,808	-\$266/mo (-13.3%)
66	93.3%	\$1,866	\$22,392	-\$134/mo (-6.7%)
67	100%	\$2,000	\$24,000	Baseline (FRA)
68	108%	\$2,160	\$25,920	+\$160/mo (+8%)
69	116%	\$2,320	\$27,840	+\$320/mo (+16%)
70	124%	\$2,480	\$29,760	+\$480/mo (+24%)

■ **WATCH OUT:** The reduction for claiming at 62 is PERMANENT. A \$2,000 FRA benefit claimed at 62 becomes \$1,400/month for life — even after you reach age 67.

SECTION 2

The Break-Even Analysis

Break-even is the age at which cumulative lifetime benefits from waiting exceed cumulative benefits from claiming early. The calculation assumes the same \$2,000/month FRA benefit:

Age	Cumul. (claim 62)	Cumul. (claim 70)	Leader
70	\$134,400	\$0	Age-62 claim ahead by \$134,400
75	\$218,400	\$148,800	Age-62 claim ahead by \$69,600
80	\$302,400	\$297,600	Age-62 claim ahead by \$4,800
81	\$319,200	\$327,360	Age-70 claim pulls ahead
85	\$386,400	\$446,400	Age-70 claim ahead by \$60,000
90	\$470,400	\$595,200	Age-70 claim ahead by \$124,800
95	\$554,400	\$744,000	Age-70 claim ahead by \$189,600

■ What Break-Even Means Practically

If you expect to live past age 81, waiting to 70 produces more lifetime income. Average life expectancy for a 65-year-old: men 83.5, women 86.0 (SSA 2024 tables). Most retirees statistically benefit from waiting — but your health history is the deciding factor.

SECTION 3

Spousal & Survivor Benefits

Spousal Benefit

A spouse who earned less (or did not work) is entitled to up to 50% of the higher earner's FRA benefit. The worker must have filed first. The spousal benefit cannot exceed 50% of the worker's FRA amount regardless of when the worker claimed.

Survivor Benefit

When a spouse dies, the surviving spouse receives the higher of the two benefit amounts. This is why the higher earner's claiming decision is so consequential for couples — it determines the survivor's income for potentially 20-30 more years.

■ The Classic Couple Strategy

Lower-earning spouse claims at 62 (providing household income while waiting). Higher-earning spouse delays to 70 (maximizing the benefit). When the higher earner dies, the survivor steps up to the higher benefit. This strategy maximizes income for the person most likely to live longest.

SECTION 4

Working While Collecting & Taxes on SS

Earnings Test Before FRA

Period	2026 Earnings Limit	Rule
Before FRA all year	\$22,320/yr (\$1,860/mo)	\$1 withheld per \$2 above limit
Year you reach FRA	\$59,520/yr (\$4,960/mo)	\$1 withheld per \$3 above limit
At FRA or older	No limit	Work as much as you want

■ *TIP: Amounts withheld due to the earnings test are repaid as higher monthly benefits once you reach FRA. The reduction is not truly lost — just deferred.*

How Social Security Is Taxed

Combined Income*	SS Taxable Amount
Single below \$25,000 / Joint below \$32,000	0% — SS fully tax-free
Single \$25,000-\$34,000 / Joint \$32,000-\$44,000	Up to 50% may be taxable
Single above \$34,000 / Joint above \$44,000	Up to 85% may be taxable

* Combined income = AGI + nontaxable interest + 50% of SS benefits

■ *TIP: Roth withdrawals do not count toward combined income. Drawing from Roth instead of a Traditional IRA in high-SS years can reduce or eliminate SS taxation.*

SECTION 5

5 Claiming Strategies Explained

Strategy 1: Claim at 62 — Take the Money Now

Best when: poor health, need the income immediately, or spouse earns significantly more and will provide adequate survivor benefit. Worst when: good health and family longevity history.

Strategy 2: Claim at FRA (67) — The Middle Path

Your full entitled benefit with no reductions and no delay bonuses. Good choice for those in average health who want simplicity and a reliable income starting date.

Strategy 3: Delay to 70 — Maximum Monthly Income

Best for: single people with good health, the higher earner in a couple, or anyone expecting a long life. Every month from 67 to 70 adds 2/3% — totaling 24% more at 70 vs 67.

Strategy 4: Spousal Coordination Strategy

Couples should model all age combinations. Classic: lower earner at 62, higher earner at 70. Use SmartSeniorX tools or a financial advisor to run your specific numbers.

Strategy 5: Restricted Application (limited eligibility)

If born before January 2, 1954, you may be able to claim only spousal benefits at FRA while your own benefit grows to 70. This can add \$50,000+ in lifetime benefits. Check eligibility.

YOUR ACTION PLAN

Social Security Claiming Checklist

- Create My Social Security account at ssa.gov/myaccount
- Review your full earnings record — dispute any errors before claiming
- Confirm your Full Retirement Age (67 if born 1960 or later)
- Model three scenarios: claim at 62, 67, and 70 — compare lifetime totals
- If married, model survivor benefit implications of both spouses
- Check whether you qualify for spousal or ex-spousal benefits (10-year marriage rule)
- Calculate combined income to project Social Security tax burden
- Consider delaying if in good health with strong family longevity history
- Coordinate SS timing with RMD and Roth conversion strategy

Model Your Social Security Timing — Free

SmartSeniorX SS Timing Calculator: compare claim ages, model break-even, project survivor benefits.
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