



Ways To Maximize Your Social Security

Social Security benefits are based on the highest of your earnings over 35 years, the amounts withheld and deposited with SSA, your earnings history, how it averages out, and the age you sign up to begin receiving payments.

Some of the ways you can optimize how much you get include:

- 1. Work until age 70.5 years** – One can start to collect Social Security at age 62. However, your payments will be less than if you reach full retirement and then sign-up to receive your payments. The payment differential could be up to 35 percent more. If well-coordinated with RMD, this differential may be as high as 60 percent depending on your situation! You have to carefully weigh your situation – Health, Family History, and your personal situation and needs especially.
- 2. Work for a Minimum of 35 years** – Social Security payment is calculated on the length of time you worked and the average highest earnings of those years. Even though you can accumulate and be entitled to Social Security after 10 quarters, it is not advisable since zeros are factored into the calculation for each of the years you did not work leading up to the 35 years. This decreases your pay-out.
- 3. Claim Your Spouse** – For married couples, you can claim up to 50% of the higher earner's benefit. The spouse that earns the lesser may consider signing up at full retirement to gain up to 50% spousal, even after a qualifying divorce. This spousal payment is reduced on a percentage basis when you file early before reaching full retirement. Of course, this may reduce how much you can get.
- 4. Pay Attention to Retirement Earnings Limit** - Your Social Security benefit may be temporarily withheld if you sign up before full retirement age. As an example, if you earn \$21,240 for 2023, \$1 could be withheld for every \$2 you earn above the limit. The limit could be up to \$56,520 and you could be hit with a \$1 penalty for every \$3 earned above the limit. However, at full retirement age, the penalty goes away and sky becomes the limit for your earnings. Recalculations does apply and you may earn credit for benefit payments withheld on past or continued earnings.

- 5. Earn More** – Social Security however unfair, is subject to taxes, but the taxes have an income cap earnings. As an example, for 2023, above \$150,200 are excluded as Social Security calculation are based on income up to the \$160,200 threshold. So, earn more if you can.
- 6. Add Families** – Disability, Disable and Dependent children under 19 may help you get more. Of course, there are qualifications and limits that apply. Examples are children that are adopted, biological or disabled children, or children as a result of multiple marriages.
- 7. Keep Social Security Taxes at a Minimum** – Of course, if the combination of your adjusted gross income, interest earnings (non-taxable), and 50% of your Social Security benefits adds up to be more than \$25,000 (Individual), and \$32,000 (Married Couple); up to about 50 percent of your Social Security could become taxable. For income sources in excess of \$34,000 for individuals, and \$44,000 for married couples, taxes may be as much as 85 percent of benefits. So, plan around the receipts of income. Noting the thresholds to minimize taxes and gain a little more in income.
- 8. Survivor Benefits** – Maximizing survivor benefits could enhance your Social Security benefits Upon the passing of a spouse as an example, the surviving spouse may inherit the deceased spouse's benefits. This often happens in situations wherein the surviving spouses' income is lower than the deceased. So, take note and take appropriate action to switch while allowing your own account benefit to grow.
- 9. Time Your Filing** – Delay to full retirement to get the maximum. In this instance however, doing a break-even analysis can help you time the best time to file after age 66 to receive the most optimum benefit.
- 10. Keep Good Records** – A place to start is to request your Social Security Earnings record. This will reveal to you all the earnings that was received on your behalf by Social Security and contained in the SSA database. In addition, it will project your potential benefits. Review this for accuracy and report inconsistencies for correction. Notice, a typical full-time worker accumulates about 2,000 weeks of 40 hours work week or about 38.5 years. If you keep good records, your earnings record would be accurate and wherein not accurate, you would have had it corrected ahead of time. The accuracy of the record may determine how much you get in benefits. How long did you work? Did all your employers report your ears correctly? How about the deductions and payments, are they correct and paid? Go records address these issues and more.

Does all of the foregoing sound good? Call us at 408-396-0369 to learn more.