

2018 road map to maximizing your Social Security benefits

Most retirees receive more than half their income from Social Security.

With the decline in company pension plans and the low personal savings rate seen nationwide, making wise Social Security decisions is more important now than ever before.



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Two of the most important decisions are when to file for benefits and how to coordinate filing with your spouse.

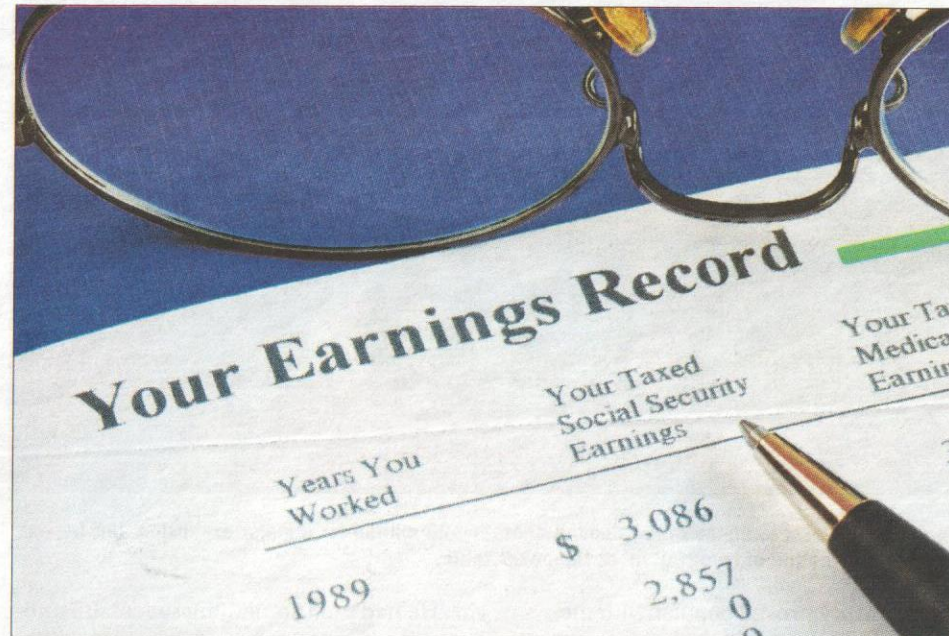
Social Security benefits can be claimed between 62 and 70. However, the timing will affect the amount you receive.

There are other considerations, as well, when finding the Social Security blueprint that is best for you.

CALCULATING BENEFITS

Social Security benefits are calculated based on your top 35 years' worth of earnings. If you worked less than 35, it is still calculated based on 35 years, with zero earnings averaged in for the years you did not work.

Your 35 years' worth of wages are adjusted, or indexed, to match today's



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It is critical to review your Social Security statement for possible errors because your benefit amount is based on it.

wages. Based on your adjusted wages, an average indexed monthly earnings is calculated.

A Social Security benefit formula is applied to your average indexed monthly earnings to find your primary insurance amount - the benefit payable to you at full retirement age.

You can receive more or less than your primary insurance amount depending on when you choose to begin receiving benefits.

You become eligible for cost-of-living increases the year you turn 62, whether or not you start receiving benefits.

SPOUSAL BENEFITS

You can receive benefits based on your spouse's record, even if you are ineligible for your own benefits.

The benefit amount is 50 percent of your spouse's benefit. To receive these benefits, you must be at least 62, and your spouse must have filed for benefits.

Some divorced people also are eligible to receive spousal benefits based on their ex-spouse's work history.

To qualify, the marriage must have lasted at least 10 years, the spouses must have been divorced at least two years, the dependent spouse cannot have remarried, he or she must be at least 62, and cannot qualify for a higher benefit based on his or her own earnings.

EARLY RETIREMENT

You can begin receiving Social Security retirement benefits as early as 62.

However, doing so before full retirement age will mean a reduced benefit.

Your basic benefit is reduced a fraction for each month you begin receiving benefits prior to full retirement age, up to 30 percent.

FULL RETIREMENT AGE

Full retirement age changes based on the year you were born. Full retirement