

Social Security: Maximizing Benefits



Most understand that waiting to claim Social Security benefits can result in higher monthly payments. However, many don't know that there are other ways to maximize their benefits, some of which depend on their marital status.

Understanding the strategies for maximizing your Social Security retirement income benefits should be prefaced with a review of the three basic forms of retirement benefits:



1. **The Worker Benefit:** This is the benefit you receive based on your own personal earnings history and for which you become eligible after 40 quarters of work.
2. **The Spousal Benefit:** This is the benefit paid to your spouse. For non-working spouses, this is 50% of the working spouse's benefit. For working spouses, it is the greater of the benefit earned from his or her earnings or 50% of the worker's benefit.
3. **The Survivor Benefit:** This is the benefit paid to the surviving spouse, which is paid at a rate equal to the greater of his or her own current benefit or, depending on the widow or widower's age, up to 100 % of the deceased spouse's current benefit¹

The first and most obvious strategy for maximizing your Social Security benefit is to simply wait to reach age 70 before beginning to take benefits. By waiting until age 70 to receive benefits, your monthly payments may increase by 24%, not including any cost of living increases that may be added to this amount.²



Benefit Maximization Strategies for Widows and Widowers

Remember, there is no spousal benefit for a widow/widower, but he or she does qualify for a survivor benefit that is equal to 100% of the deceased spouse's benefit (versus the 50% spousal benefit if the working spouse is still alive). This survivor benefit is available at age 60 or even earlier, depending on the widow/widower's disability status and whether or not they are caring for a child.¹

If you are widowed and also have worked for 40 quarters, you will have a worker benefit and a survivor benefit. This presents you with several choices. One choice is to file for the benefit that provides you with the greatest monthly benefit amount.

Another choice may be to start your worker benefit at age 62 and then switch to the survivor benefit once you reach full retirement age. This option is advantageous in instances where the widowed spouse did not accumulate the same level of benefits as the deceased spouse. Choosing this option allows the surviving spouse to take the higher survivor benefit amount. Because there are no delayed retirement credits earned on survivor benefits, there is no advantage to waiting past full retirement age to apply for survivor benefits.³

A final choice is to consider starting the survivor benefit at age 60 and then switching to your own worker benefit at age 70. This strategy allows you to begin receiving income based on the survivor benefit as early as possible and provides you time to build up the maximum worker benefit.

As you can see, there are ways you can potentially raise your Social Security benefits. These strategies can help you maximize your benefits beyond what is available to those who simply delay retirement to age 70.



FOOTNOTES

¹ SSA.gov, 2023

² SSA.gov, 2023

³ Kiplinger.com, March 29, 2023



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