SWEETWATER FINANCIAL ADVISORS GUIDE

5 Questions to Ask About When to Take Social Security

One of the most important and irreversible retirement decisions you will make — and most people get it wrong.

When to claim Social Security benefits is one of the most impactful financial decisions you will face. Claim too early and you permanently reduce your monthly benefit. Wait too long and you may leave money on the table. The right answer depends on your health, your other income sources, your spouse, and your overall financial plan.

QUESTION 1

What is the difference between claiming at 62, 67, and 70?

Your full retirement age (FRA) is 67 for most people born after 1960. Claiming at 62 permanently reduces your benefit by up to 30%. Claiming at 70 permanently increases it by 8% per year beyond your FRA — up to 24% more than your full benefit. For example, if your full benefit at 67 is $2,000 per month, claiming at 62 might pay $1,400 and waiting to 70 could pay $2,480. That difference — compounded over a long retirement — can be worth hundreds of thousands of dollars.

QUESTION 2

How do I know which age is right for me?

The key factors are your health and life expectancy, your other sources of retirement income, whether you are still working, your spouse's benefit situation, and your tax picture. If you are in poor health, claiming early may make sense. If you are healthy and have other income to draw from, waiting to 70 often produces significantly more lifetime income. A break-even analysis can be a helpful starting point, and a fiduciary advisor can run those numbers for your specific situation.

QUESTION 3

How does Social Security work for married couples?

For married couples the claiming decision is a joint strategy — not two separate decisions. A higher-earning spouse who delays to 70 maximizes the survivor benefit — meaning if they die first, the surviving spouse receives the higher amount for the rest of their life. Coordinating your claiming ages thoughtfully can add tens of thousands of dollars in lifetime household income.

QUESTION 4

Will my Social Security benefits be taxed?

Possibly — and this surprises many retirees. Up to 85% of your Social Security benefits can be subject to federal income tax depending on your combined income. For 2026, benefits may be partially taxable if combined income exceeds $25,000 for single filers or $32,000 for couples, and up to 85% taxable above $34,000 for singles or $44,000 for couples. These thresholds have not changed since 1984. Note: A new temporary $6,000 additional standard deduction for taxpayers age 65 and older may reduce or eliminate benefit taxation for many retirees in 2026 through 2028.

QUESTION 5

Can I work and collect Social Security at the same time?

Yes — but with important limitations before you reach your full retirement age (FRA). For 2026, if you claim before your FRA and continue working, Social Security will withhold $1 of benefits for every $2 you earn above $24,480. In the year you reach your full retirement age (FRA) the threshold increases to $65,160, and the withholding rate drops to $1 for every $3 earned. Once you reach your full retirement age (FRA) you can earn any amount with no reduction. The withheld benefits are not lost — they are restored as a permanently higher monthly payment when you reach FRA.

Want help figuring out the right Social Security strategy for your situation?

Schedule a free 20-minute call — Social Security timing is one of our most common planning conversations, and the stakes are high enough to get right.

Houston | Bryan Teel, CFP® | bryan@sfacorp.com | (281) 491-3333

San Antonio | Mark Snelling | mark@sfacorp.com | (830) 330-5070

College Station | Bryan Teel, CFP® | bryan@sfacorp.com | (979) 321-4400

sfacorp.com