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Understanding Social Security: What to Do, When to Do It, and What to Expect

With its monthly benefit, Social Security is a critical part of any retirement plan, providing a reliable source of income insulated from market volatility.

Claiming Social Security isn't a one-step decision. The choices you make — especially when to claim — can meaningfully impact your benefits. This guide helps simplify the process and clarify your options.

The Basics: Understanding Your Benefits

Social Security is a critical source of retirement income for millions of Americans. The amount you receive depends on two key variables: your lifetime earnings and the age at which you begin collecting benefits.

When you become eligible

Earliest eligibility

You can start receiving retirement benefits as early as age 62. However, if you opt to receive payments this early, your monthly benefit will be lower than if you had waited until full retirement age.

Full retirement age (FRA)

Once you reach full retirement age, you become eligible to receive 100 percent of your benefit amount. For those born in 1960 or later, FRA is set at 67 years old.

Delayed retirement credits

By delaying benefits past your FRA, up to age 70, you earn an annual increase in your benefit (roughly eight percent for each year deferred).

How benefits are calculated

The Social Security Administration (SSA) determines your benefit by averaging your 35 highest-earning years and using a formula to calculate your monthly amount.

To get a sense of the range of monthly benefits payouts, consider that in 2025, according to the SSA, the average monthly benefit was $1,976. The maximum monthly benefit at full retirement age — before accounting for any increase from deferring — is $4,018. You can use the SSA's benefits calculator to get a rough approximation of your future benefit amount based on your current earnings.

How timing affects your benefit

Here's an example of how significantly your monthly benefits can change, depending on when you decide to first file for benefits. Imagine a scenario where you had a high-earning career and were eligible for the maximum benefit amount of $4,018 a month.

- **Claiming benefits at 62:** By claiming benefits early, you would be subject to a penalty, and your monthly benefits would be just $2,831 a month.
- **Claiming benefits at Full Retirement Age:** At the FRA, you would receive the maximum benefit amount of $4,018.
- **Delaying benefits until 70:** By delaying benefits and gaining the eight percent increase, your benefit would increase to $5,108 per month.

That's a significant monthly difference, but how would this play out over your entire time claiming benefits?

If we were to assume that you live until 90, here's how much you would have earned in Social Security, with each strategy:

Claiming at age 62 for 28 years:	Claiming at age 67 for 23 years:	Claiming at age 70 for 20 years:
$951,216	**$1,108,968**	**$1,225,920**

As shown in this scenario, delaying your initial Social Security benefits still yields a larger overall payout, even if it means receiving fewer years of benefits.

Our team is here to help you consider all the various factors that may influence when you decide to first claim benefits. The decision that's right for you will depend on your own unique goals and circumstances.

Spousal and Survivor Benefits

Spousal and survivor benefits are less well understood within Social Security, but for many retirees, they are an essential source of financial support. Let's break down each type.

Spousal benefits

These benefits allow you to claim Social Security on your spouse's earnings, rather than your own. If you're over 62 years old, have been married for at least one year, and your spouse is currently receiving their own benefits, then you are eligible for spousal benefits. Just like with regular Social Security, the amount you receive depends on when you claim spousal benefits (starting at 32.5 percent at age 62 and up to 50 percent if you wait until your own Full Retirement Age).

You may also be eligible for spousal benefits if you are divorced and have remained unmarried. You may claim spousal benefits in this case if you were married for at least 10 years. If you're claiming spousal benefits on an ex-spouse's earnings, you don't have to wait until they have begun receiving Social Security, either. Claiming these benefits has no impact on the ex-spouse's own payments.

It's important to note that spousal benefits do not augment your own Social Security benefits. If you apply for spousal benefits, you will receive either your own work benefits or the spousal benefits — whichever amount is higher.

Survivor benefits

Spouses are often eligible to receive survivor benefits after the death of a spouse who was earning Social Security or had paid Social Security taxes during their lifetime. Eligibility depends on many different factors, but generally, if you were married for at least nine months prior to your spouse's death, you may begin filing for survivor benefits once you reach age 60. Benefit amounts start at 71.5 percent of the deceased's Social Security payment and increase up to 100 percent if you delay claiming benefits until your Full Retirement Age. (Ex-spouses may also be eligible for survivor benefits if they were married for at least 10 years.)

Children can also determine eligibility for survivor benefits. If you are caring for a child of the deceased who is 16 years old or younger, then you may be eligible for survivor benefits right away — and up to 75 percent of the deceased's Social Security payment. Children themselves can also be eligible for survivor benefits if they're 17 and under, or at any age if they have a disability. Children typically receive 75 percent of the deceased parent's benefit, although if multiple members of a family are receiving survivor benefits, they may be subject to a maximum family benefit amount.

How to File for Social Security Retirement Benefits

The Social Security Administration makes it easy to apply online, which is the most common and efficient method. You can begin the application at this link. (One exception: Survivor benefits must be applied for over the phone or in person.)

Before you start the application, you'll need to gather the following documents/information:

- **Your Social Security number**
- **Your birth certificate or other proof of birth**
- **Dates of any past marriages or divorces**
- **Work records over the past five years, including pay stubs or W-2 forms**

By submitting your application, you will have created a my Social Security account. You can check your application status there while it's under review. Once your application is approved, you'll begin receiving your monthly benefits.

What to Expect: Payment Dates and Taxability

When will my payments arrive?

Social Security benefits are paid the first month after your official enrollment month. For example, if you request that your benefits begin in May, your first payment will arrive in June.

Your payment date each month is generally determined by your day of birth:

Birthday 1st - 10th:
Payment on the second Wednesday of the month.

Birthday 11th - 20th:
Payment on the third Wednesday of the month.

Birthday 21st - 31st:
Payment on the fourth Wednesday of the month.

Preparing for Social Security Taxes

Many people believe Social Security benefits are tax-free. As you can imagine, it can come as an unpleasant surprise when tax season comes around, and they find themselves hit with a tax bill.

In reality, up to 85 percent of your Social Security benefits may be subject to federal tax, depending on your overall gross income.

To avoid a surprise tax bill at the end of the year, you can opt to voluntarily withhold income tax from your benefit checks.

To do so, you must complete and submit IRS Form W-4V directly to the SSA. You can choose to have 7 percent, 10 percent, 12 percent, or 22 percent of your monthly benefit withheld

Ensure Your Social Security Works for You

The decisions you make about when to claim Social Security can have a major impact on your monthly benefits, as well as your taxes. No matter what course you decide to take, it's important to remember that Social Security is just one part of your comprehensive retirement plan. The way you decide to structure your Social Security benefits should complement your overall plan and help you achieve your long-term goals.

Set up a meeting today if you need any guidance on how to make sure Social Security works for you.

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