SINGH PWM GUIDE

Taking Social Security: 62 vs. 67 vs. 70

A decision framework for when to claim, not just a rule of thumb: the reduction and delayed-credit math, the earnings test, taxation of your benefit, and a full worked example for a married couple.

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Get the fillable worksheet and be notified when the 2027 numbers publish: singhpwm.com/guides/taking-social-security-62-vs-67-vs-70

What this guide answers

Claiming Social Security at 62, 67, or 70 changes your monthly check by more than 75% between the earliest and latest choice, and the decision is permanent the moment you file. This guide walks through how the reduction and delayed-credit math actually works, what it costs to guess wrong, and how to decide using your own numbers instead of a rule of thumb. It is built for a household with other savings, deciding when to start rather than whether they are eligible. You will finish able to pull your own numbers from ssa.gov, run the decision framework in Section 6, and file the application yourself. It ends with a direct link to apply once you have decided.

IN SHORT

- Claiming at 62 locks in 70% of your full retirement age benefit, permanently. Waiting to 70 locks in 124%. There is no way to undo either choice later.
- For most married couples, the highest-value single decision is having the higher earner delay toward 70, since that sets the survivor benefit for whichever spouse lives longer.
- The math tends to favor delaying if you are healthy and have other income to bridge the gap. It tends to favor claiming earlier if you need the cash now or have real reason to expect a shorter retirement.

Contents

1. The decision in front of you

> You turned, or are about to turn, 62, and a letter or a login prompt from the Social Security Administration is telling you that you can start collecting. Nothing forces you to decide today, and nothing about the decision is reversible once you file. Most people treat this as a simple eligibility question: can I get the check, yes or no. It is actually a pricing question: how much is each additional year of waiting worth, and can you afford to wait for it.

If you do nothing, the default is not neutral. Roughly three in ten new retirees historically claim the moment they turn 62, according to research from the Center for Retirement Research at Boston College, often without ever comparing that number to what waiting would pay.[13] That default has a price, and it is not small.

For a worker who earned at Social Security's taxable maximum every year since age 22 and retires in 2026, the maximum benefit is $2,969 a month at 62 and $5,181 a month at 70, a gap of more than $26,500 a year for the rest of that person's life, once both benefits have started.[4][11] Even for a household nowhere near the maximum, the same 70%-to-124% spread applies to whatever your own number is.

70%
Of your full retirement age benefit, if you claim at 62, permanently

124%
Of your full retirement age benefit, if you claim at 70, permanently

$26,544
Illustrative annual gap at the 2026 maximum benefit, 62 versus 70

The rest of this guide is about closing the gap between the default choice and the right choice for your household. That starts with understanding the mechanics well enough to run the numbers yourself, which is what the companion worksheet in this guide is built to help you do.

2. How the rule actually works

> Every Social Security retirement benefit is built from one number, your Primary Insurance Amount (PIA), the benefit you would receive by claiming at exactly your full retirement age. Claiming earlier reduces it on a fixed schedule. Claiming later increases it on a separate fixed schedule. Three conditions determine your own numbers: your birth year, which sets your full retirement age, your actual earnings history, which sets your PIA, and the month you file, which sets your final percentage. The edge case almost everyone misses is that delayed credits stop accruing entirely at 70, so there is no benefit to waiting past your 70th birthday.

Full retirement age is not the same for everyone

Your full retirement age (FRA) depends on your birth year. Anyone born in 1960 or later, which is most of this guide's readers, has an FRA of 67.[3] People born from 1955 through 1959 have an FRA between 66 and 2 months and 66 and 10 months. This guide uses FRA 67 throughout; if you were born before 1960, substitute your own FRA from the table below.

Full retirement age by birth year

Birth year	Full retirement age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

Source: Social Security Administration, Benefits Planner: Full Retirement Age. Retrieved September 18, 2026.[3]

Claiming before FRA: a permanent reduction

Claim before your FRA and your benefit is reduced by a fixed percentage for every month early, roughly five-ninths of 1% per month for the first 36 months and five-twelfths of 1% per month beyond that.[1] For someone with an FRA of 67, claiming at exactly 62, the earliest possible age, locks in 70% of PIA. This reduction is not temporary. It applies for as long as you receive the benefit.

Claiming after FRA: delayed retirement credits

Wait past FRA and your benefit grows by 8% per year, two-thirds of 1% per month, for every month you delay, up to age 70.[2] At 70, someone with an FRA of 67 receives 124% of PIA. Credits stop accruing at 70 regardless of when you actually file, so there is no mathematical reason to wait past your 70th birthday to claim, even though you could technically delay the paperwork further.

RULE OF THUMB

Every year you delay between 62 and 70 raises your monthly benefit by roughly 7% to 8%, compounding. There is no other place in most people's financial plan to get a guaranteed increase of that size, and it comes with no market risk.

The benefit is taxable, sometimes up to 85% of it

Social Security is not automatically tax-free. Up to 50% of your benefit becomes taxable once your provisional income (adjusted gross income excluding Social Security, plus tax-exempt interest, plus half your Social Security benefit) exceeds $25,000 for a single filer or $32,000 for a married couple filing jointly. Up to 85% becomes taxable above $34,000 single or $44,000 married filing jointly.[8] These thresholds are fixed by statute and have not moved since 1993, so ordinary wage growth alone pushes more retirees into taxable territory every year.

Working before FRA triggers the earnings test

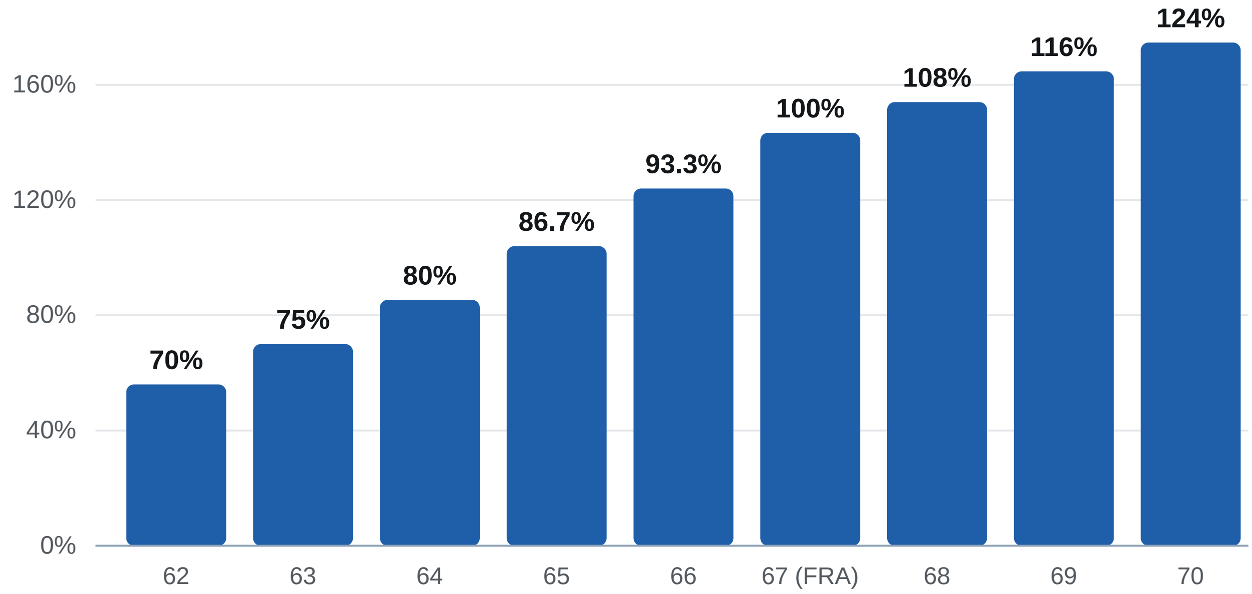
If you claim before FRA and keep working, Social Security withholds part of your benefit above an annual earnings limit, $24,480 for 2026, at $1 withheld per $2 earned above that limit, or a higher limit of $65,160 and a $1-per-$3 rate in the calendar year you actually reach FRA.[7] The withheld amounts are not lost. They are credited back into your benefit calculation once you reach FRA, but the cash flow disruption in the meantime is real and catches people off guard.

3. What the numbers say in 2026

> The reduction and credit schedule is the same shape for every claiming age, but the dollar figures scale with your own PIA. This section shows the 2026 constants: the percentage schedule itself, the maximum benefit by claiming age, and what the earnings test actually costs someone who keeps working. Every figure here is illustrative to the extent it uses a maximum-earner or example income; the schedule and thresholds themselves are the actual 2026 rules.

Every month you delay past 62 adds to your eventual check, in a fixed, published schedule with no market risk attached.

Figure 1. Monthly benefit as a percentage of your full retirement age benefit (PIA), by claiming age.



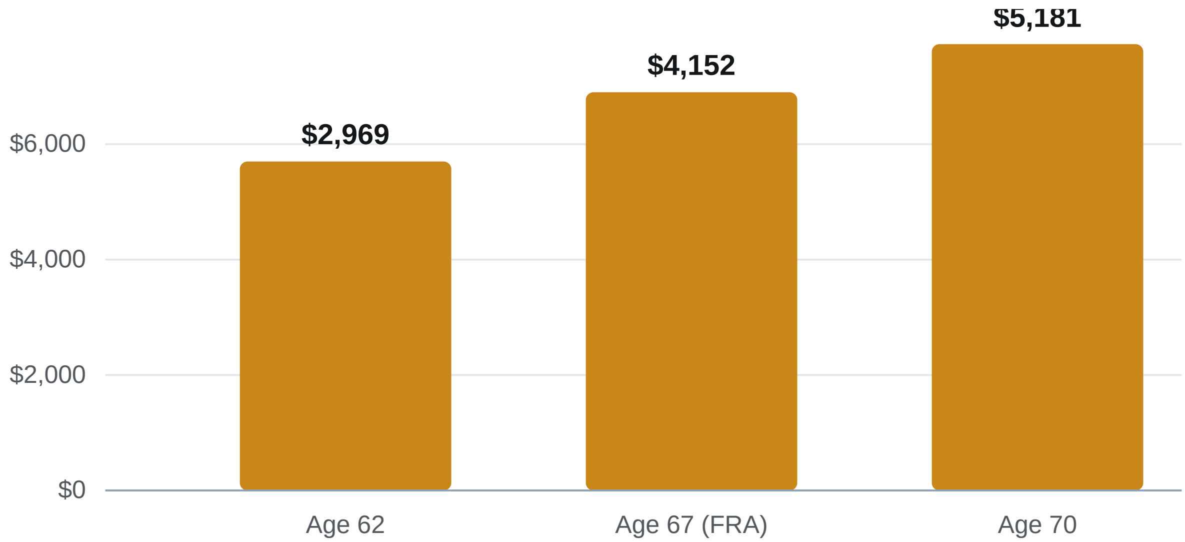
Schedule applies to anyone with a full retirement age of 67 (born 1960 or later). Percentages are of your Primary Insurance Amount, not a dollar figure.

Source: Social Security Administration, Benefits Planner: Retirement Age and Benefit Reduction; Delayed Retirement Credits. Retrieved September 18, 2026.[1][2]

Claiming age	% of PIA
62	70.0%
63	75.0%
64	80.0%
65	86.7%
66	93.3%
67 (FRA)	100.0%
68	108.0%
69	116.0%
70	124.0%

At the 2026 maximum benefit, the dollar gap between the earliest and latest claiming age is more than $2,200 a month.

Figure 2. Maximum monthly Social Security benefit by claiming age, 2026.



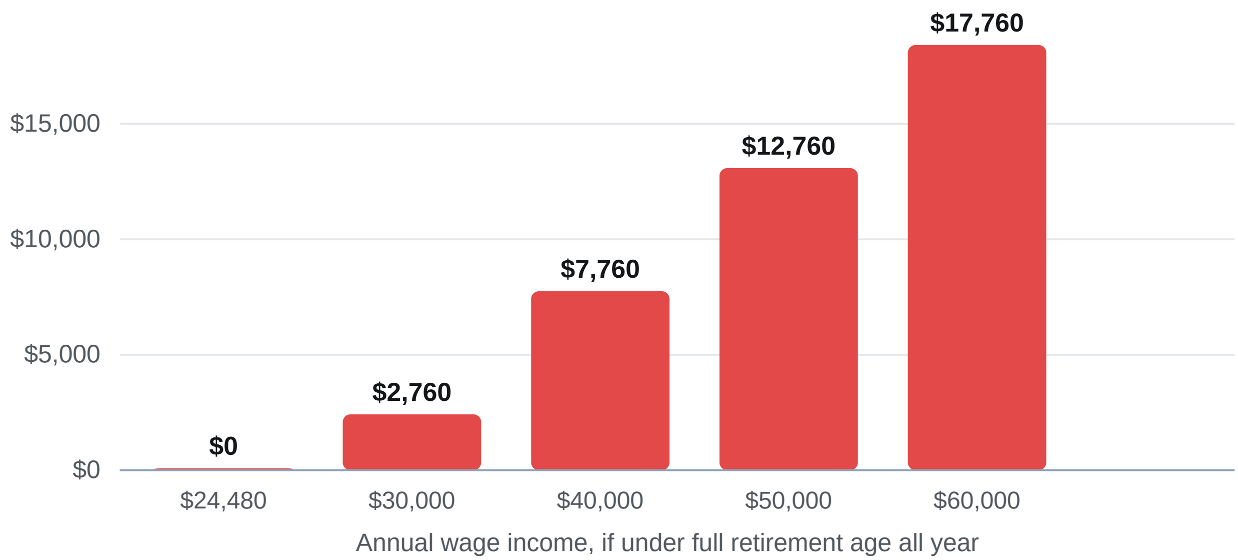
Applies only to a worker who earned at or above Social Security's taxable maximum every year from age 22 through retirement, starting benefits in 2026. Most workers receive well below this ceiling; the average retired-worker benefit in 2026 is roughly $2,071 to $2,086 a month. Your own figure, from your actual earnings record, will be on your Social Security statement.

Source: Social Security Administration, FAQ: What is the maximum Social Security retirement benefit payable? Retrieved September 18, 2026.[4]

Claiming age	2026 maximum monthly benefit
62	$2,969
67 (FRA)	$4,152
70	$5,181

Working before full retirement age while collecting benefits costs real money in the short term, even though it is credited back later.

Figure 3. Annual Social Security withheld under the 2026 earnings test, by wage income, if claiming before full retirement age.



Illustrative examples using the 2026 earnings limit of $24,480 for someone under full retirement age all year. Withheld amounts are credited back into the monthly benefit starting at full retirement age; they are not permanently lost.

Source: Social Security Administration, Receiving Benefits While Working. Retrieved September 18, 2026.[7]

Annual wages	Amount over limit	Annual benefit withheld
$24,480 (the limit)	$0	$0
$30,000	$5,520	$2,760
$40,000	$15,520	$7,760
$50,000	$25,520	$12,760
$60,000	$35,520	$17,760

Want to see these numbers with yours in them?

The tables above are the inputs. What matters is what they do to your specific bracket, your specific account mix, and your specific timeline. A Strategic Fit Interview is a 30-minute conversation where we look at exactly that. No pitch, no product, flat fee only.

Schedule a Strategic Fit Interview

4. The worked example

> Robert and Diane Sinclair, ages 64 and 62, live in Scottsdale, Arizona, and are deciding when to file. This household and every number in it are illustrative and fabricated for this guide. Robert was the higher earner over his career; his full retirement age benefit (PIA) is $3,200 a month. Diane's PIA is $1,600 a month. They have $2.1 million combined in mostly pre-tax retirement accounts and no immediate need for the income.

Applying the schedule from Section 2 to Robert's $3,200 PIA: claiming at 62 pays him $2,240 a month (70%); waiting to 70 pays him $3,968 a month (124%). The same math on Diane's $1,600 PIA: $1,120 a month at 62, or $1,984 a month at 70.

The Sinclairs' illustrative monthly benefit by claiming age

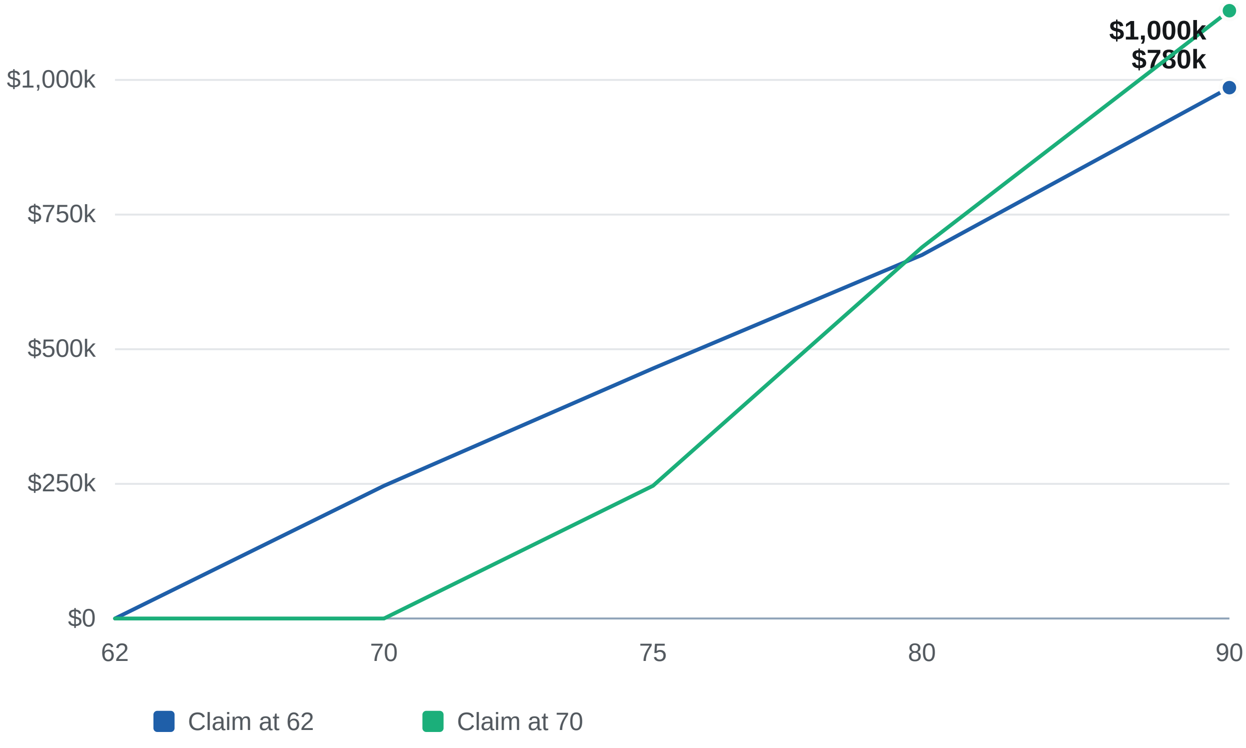
Claiming age	Robert (PIA $3,200)	Diane (PIA $1,600)
62	$2,240	$1,120
67 (FRA)	$3,200	$1,600
70	$3,968	$1,984

Source: Reduction and delayed-credit percentages per SSA.[1][2] Household figures are illustrative.

Three household strategies are on the table. **Both claim at 62:** combined income starts immediately at $3,360 a month ($40,320 a year). **Both wait to FRA:** combined income of $4,800 a month ($57,600 a year), starting later. **Robert delays to 70, Diane claims at her FRA of 67:** Diane's $1,600 a month starts first, then Robert's $3,968 a month starts three years later, for a combined $5,568 a month ($66,816 a year) once both are collecting, and critically, a $3,968 survivor benefit for whichever of them lives longer.

Delaying Robert's claim to 70 costs the household income in the near term but overtakes the early-claiming path by his mid-to-late seventies, and stays ahead for as long as he lives.

Figure 4. Robert's cumulative lifetime Social Security benefit, claiming at 62 versus claiming at 70.



Illustrative. Uses Robert's $2,240/month benefit starting at 62 versus $3,968/month starting at 70, held constant with no COLA growth for clarity. Actual benefits increase with COLA each year regardless of claiming age. Your result will differ.

Source: Benefit amounts per SSA reduction and delayed-credit schedule.[1][2] *Breakeven consistent with Vanguard and Charles Schwab research placing the crossover between claiming at 62 and 70 around age 80 to 81. Retrieved September 18, 2026.*[11][12]

Age	Cumulative, claim at 62	Cumulative, claim at 70
62	$26,880	$0
70	$241,920	$47,616
75	$376,320	$285,696
80	$510,720	$523,776
90	$779,520	$999,936

Notice what the coordinated strategy actually buys the household beyond the crossover math: if Robert dies first, Diane's survivor benefit becomes the larger of her own benefit or Robert's, which is $3,968 a month if he delayed to 70, versus $2,240 a month if he claimed at 62. That difference, $1,728 a month, is hers for the rest of her life, and it is the single largest reason financial planners weight the higher earner's claiming age so heavily.

Your version of this example

The Sinclairs are illustrative. Your own PIA, health, and account balances are not. If you want to see the same side-by-side run on your actual numbers, that is what the first meeting is for.

Schedule a Strategic Fit Interview

5. The four ways this goes wrong

> Most Social Security mistakes are not exotic. They are defaults nobody questioned. Each of the four below is common, specific, and avoidable, and each has a real dollar or income cost attached. None of them require bad luck, only the absence of a five-minute check before filing.

The reflexive 62

Filing the moment you become eligible, out of habit, fear the program will change, or simply because the notice arrived, without ever pulling your own FRA and age-70 numbers. This happens most to people who never had an explicit household conversation about claiming age. At the 2026 maximum benefit, the lifetime cost of this default versus a deliberate delay to 70 can exceed $500,000 for someone who lives into their late eighties. It is prevented by one step: log into ssa.gov before your 62nd birthday and look at all three numbers side by side.

Working through the earnings test blind

Claiming at 62 and continuing to work full time without checking the earnings limit first. This happens to people who assume "retirement benefit" and "still working" are unrelated. The cost is real cash flow disruption: at $50,000 of wages, $12,760 a year gets withheld from the benefit, even though it is credited back later. It is prevented by checking the 2026 earnings limits in Section 3 before filing, or simply waiting until FRA to claim if you plan to keep working.

Treating two spouses' claims as independent

Each spouse filing on their own timeline without coordinating, most often both claiming at 62 because that is simply when each of them turned 62. This happens to married couples who never modeled the survivor benefit implication. The cost is forfeiting the survivor-benefit uplift described in Section 4, often the single largest claiming decision available to a household, worth well into six figures over a long retirement.[15] It is prevented by modeling the household as one decision, not two.

Ignoring the tax on the benefit itself

Not realizing up to 85% of Social Security can be taxable, then being surprised at tax time when IRA withdrawals or capital gains push provisional income over the threshold. This happens to retirees drawing from Social Security and pre-tax accounts in the same year without a coordinated withdrawal plan. The cost is an unplanned tax bill, and in some cases a Medicare IRMAA surcharge triggered two years later by the same income spike.[8] It is prevented by modeling provisional income before finalizing both the claiming decision and the year's other withdrawals together.

Which of these applies to you?

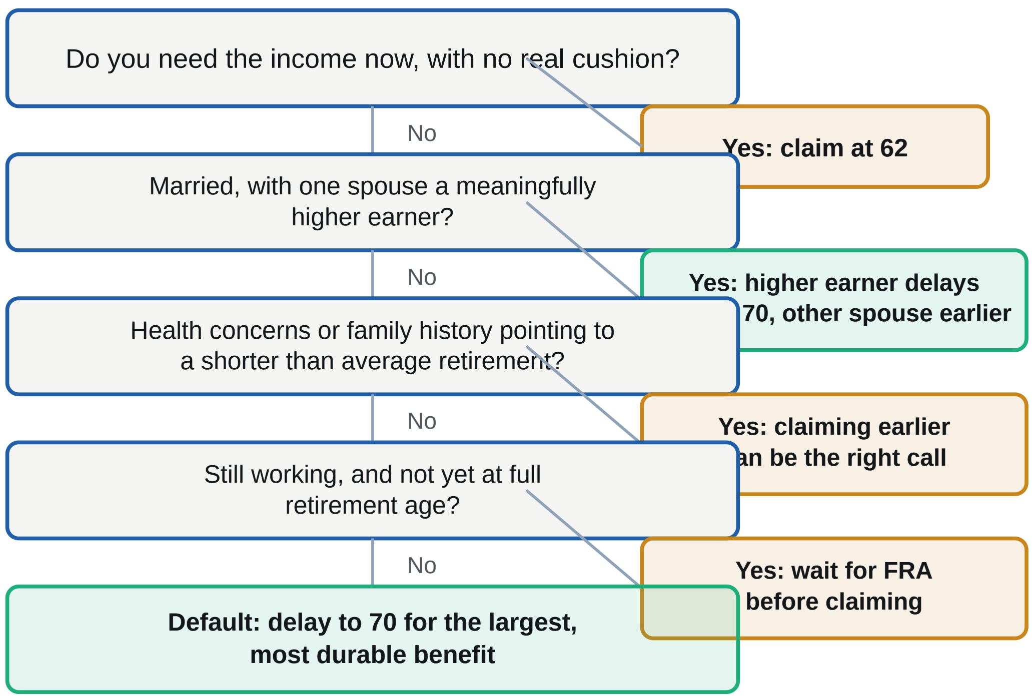
...which is why the companion worksheet walks through the same four checks in one page, so you can see which apply before you file.

6. Your decision framework

> Five questions, run in order, get most households to a defensible claiming age without a spreadsheet. This is a starting framework, not a final answer: it is meant to narrow the decision to one or two ages worth modeling precisely, not to replace that modeling. Work through the branches below using your own situation, not the Sinclairs'.

Run these five questions in order. Most households land on an answer by the third or fourth branch.

Figure 5. Claiming-age decision framework.



A starting framework, not a substitute for modeling your own numbers. Illustrative decision logic built from the mechanics in Sections 2 through 4.

Source: Singh PWM analysis of SSA claiming rules. Retrieved September 18, 2026.[1][2][7]

Branch 1, income need: if you have no real cushion, no pension, and thin savings, a smaller check today can matter more than a larger one you cannot wait for. Claim at 62 and do not second-guess it.

Branch 2, marital coordination: if you are married and one spouse earned meaningfully more, the higher earner delaying toward 70 protects whichever of you lives longer, as shown in Section 4. The lower earner can often claim earlier for bridge income without giving up much on a household basis.

Branch 3, health and longevity: if you have a specific reason, not a general worry, to expect a shorter than average retirement, the breakeven math in Section 4 may never favor waiting. Claiming earlier can be the mathematically sound choice, not a consolation prize.

Branch 4, still working: if you have not reached FRA and plan to keep working, the earnings test in Section 3 argues for waiting until FRA, or until you actually stop working, whichever comes first.

Branch 5, the default: healthy, not working, no acute income need, on your own or the lower earner in a couple: delaying to 70 is usually the highest-expected-value, lowest-regret choice. It functions as longevity insurance you cannot buy any other way.

> **THIS IS WRONG FOR YOU IF**
>
> You have a documented shorter-than-average life expectancy, you need the income now with no other source, or delaying would force you to draw down other assets at a worse time (for example, into a market downturn) purely to avoid claiming. A rule that says "always delay" is not a plan. It is a slogan.

7. Your action plan

> Eight steps, in order, take you from "I got a letter" to a filed application with a claiming age you actually chose. Each step names who does it, when it needs to happen, and what you need in hand first. None of them require anyone else's permission except the last one, since the filing itself goes to SSA directly.

1. **Create or log into your my Social Security account.** You, today. Needs: a government photo ID and an email address.
2. **Pull your benefit estimate at 62, FRA, and 70.** You, this week. Needs: your my Social Security login.
3. **If married, pull your spouse's numbers and identify the higher earner.** Both of you, this week. Needs: both Social Security accounts.
4. **Run the decision framework in Section 6 against your actual situation.** You and your spouse, before either of you turns 62 if possible. Needs: the numbers from steps 2 and 3, an honest health and cash-flow assessment.
5. **If you plan to work before FRA, model the earnings test.** You, before filing. Needs: expected annual wage income.
6. **Model the tax impact of combining Social Security with other withdrawals.** You or your advisor, before filing. Needs: projected AGI and other income for the claiming year.
7. **File the application.** You, at ssa.gov/apply, up to four months before your chosen start date. Needs: your my Social Security login and your chosen claiming month.
8. **Revisit the plan annually until both spouses have filed.** You, every fall when SSA announces the new COLA. Needs: your updated Social Security statement.

The steps above are yours to run

Most people can. Some of them should not do it alone, usually because the sequencing interacts with something else in their plan, like a pension, a Roth conversion window, or an IRMAA threshold. If you read the action plan and thought "I am not sure which of these applies to me," that is the conversation worth having.

I work with a limited number of households at a time, on a flat fee. No assets under management, no commissions, no product sales.

8. Worksheet

> Fill this in with your own numbers from ssa.gov before your first filing conversation, with a spouse, an advisor, or yourself. It takes about fifteen minutes if you already have your Social Security statement open.

Your numbers

Your full retirement age benefit (PIA)	________
Your benefit at age 62	________
Your benefit at age 70	________
Other guaranteed monthly income (pension, etc.)	________

Spouse's numbers, if married

Spouse's full retirement age benefit (PIA)	________
Spouse's benefit at age 62	________
Spouse's benefit at age 70	________
Who is the higher earner?	________

The five questions from Section 6

Do you need the income now, with no real cushion? (Y/N)	________
Meaningfully different earners if married? (Y/N)	________
Health or family history pointing shorter than average? (Y/N)	________
Still working before your FRA? If yes, expected annual wages	________

Your working answer

Target claiming age, you	________
Target claiming age, spouse	________

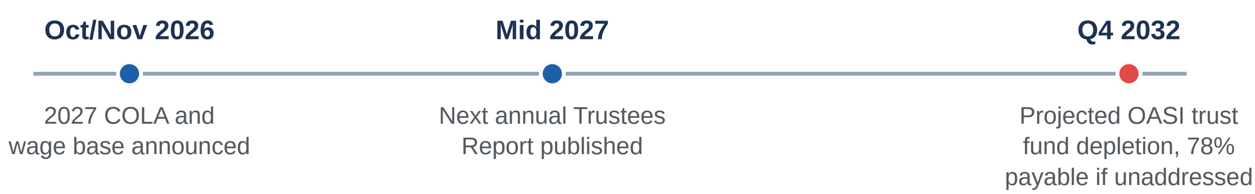
Want a second set of eyes on these numbers? Schedule a Strategic Fit Interview.

9. What changes this

> The claiming rules in this guide are current law, not guaranteed to stay this way forever. Three things could move the numbers before you file: the annual COLA and wage-base announcement each fall, the health of the Social Security trust fund, and any legislation Congress passes in response to it. None of these should stop you from deciding now, but each has a specific date attached worth tracking.

The most consequential date on the horizon is not a personal deadline, it is a program-wide one: the projected depletion of the retirement trust fund in late 2032.

Figure 6. What changes, and when.



Dates are as scheduled or projected under current law and the 2026 Trustees Report. Legislation could move the depletion date, the payable percentage, or the benefit formula itself before 2032.

Source: Social Security Administration, 2026 Trustees Report press release. Retrieved September 18, 2026.[9]

None of this changes the math for a decision you are making today. Benefits already being paid, and benefits from the claiming ages in this guide, are current law. If Congress does not act before 2032, scheduled benefits would need to be reduced to roughly 78% of their current formula to match incoming payroll tax revenue, a cut that would apply broadly rather than singling out any one claiming strategy.[9] Congress has addressed trust fund shortfalls before without eliminating benefits for people already claiming, and any change of this scale would likely be phased in with substantial notice.

> **RE-CHECK TRIGGER**
>
> Revisit this guide's numbers each October or November, when SSA announces the following year's COLA and wage base, and again immediately if Congress passes legislation changing the benefit formula, the full retirement age, or the trust fund's funding mechanism.

If this was useful

Share it with someone it would help. And once you have decided on a claiming age, filing is a direct process at ssa.gov/apply, the Social Security Administration's own online application. If you want to talk through how the decision applies to your situation first, the door is open.

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> *The highest compliment for me is that you share my values and views with the ones you care for. Thank you for your Trust!*

Sources and disclosures

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