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## Pros and Cons of Delaying Benefits

You can start claiming your Social Security benefits when you turn 62, but you also have the option of delaying your payments. What are the potential benefits and drawbacks of waiting until your full retirement age, or delaying benefits until you're 70 years old?

Here are a few pros and cons to consider:

### **Pro: You Will Get Bigger Monthly Payments**

For each year you wait to claim your benefits, they will [increase by a certain percentage](#). If you take your benefits before you're 70, your monthly payments may be lower.

### **Con: Health Insurance Can Be Expensive**

If you plan to delay taking your Social Security benefits, you will need to consider the cost of health insurance for that time. If you don't have employer-sponsored health insurance, you will need to pay for a plan on your own. When you turn 65 you can enroll in Medicare, but you may need to pay for it out-of-pocket.

## **Pro: Your COLA Adjustment Will Be Higher**

The Social Security Administration announces a [cost-of-living adjustment \(COLA\)](#) each year. The COLA is a percentage based on the amount you receive in benefits. If you wait and receive large monthly checks, your COLA will likely be higher as well.

## **Con: You May Need Other Income**

Waiting can be an ideal strategy for some people, but it is possible you need the income now rather than later. If you plan to retire and do not have reliable income from retirement accounts in the meanwhile, you may need to rely on your Social Security income.

Waiting also comes with risks that can be impossible to predict ahead of time. For example, some people may not live long enough to enjoy their benefits to the fullest if they wait until they are 70 to claim them.

Social Security benefits are an important part of many people's retirement strategy. Waiting to claim those benefits may or may not be the right choice for you. If you need help understanding your financial planning options, get in touch.

***Helping clients get back to the basics of building and maintaining wealth in a tax efficient way.***



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