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## The Social Security Retirement Age Increases to 66.5 in 2019

Workers with an older retirement age get smaller Social Security payments throughout retirement.

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**WHILE YOU CAN START** Social Security payments at age 62, your monthly checks are reduced if you begin collecting benefits at this age. To claim your full benefit you need to [sign up for Social Security](#) at your full retirement age, which varies by birth year. Here's a look at how the retirement age is changing, and what this means for your retirement payments.

**An older Social Security full retirement age.** The full retirement age used to be 65 for those born in 1937 or earlier. Those born between 1943 and 1954 have a full retirement age of 66. The full retirement age further increases to 66 and six months for people born in 1957, up from 66 and four months for those with a birth year of 1956. "The full retirement age increases for those born in 1957 who attain age 62 in 2019," says Jim Blair, a former Social Security administrator and lead consultant at Premier Social Security Consulting in Cincinnati, Ohio. "Full retirement age is 66 years, six months. This is a two-month increase over those born in 1956." The full retirement age will further increase in two-month increments each year until it hits 67 for everyone born in 1960 or later.

**A bigger reduction if you claim Social Security early.** Workers who are eligible for Social Security can start payments at age 62, regardless of their full retirement age. However, the [benefit reduction](#) for early claiming is bigger for those who have an older retirement age. "Your Social Security full retirement age – the age where you get a 100 percent benefit – is based on your birth year," says Andy Landis, author of "Social Security: The Inside Story." "For those born in 1957, your full retirement age is 66 and six months. You can still get payments as early as 62, at 72.5 percent of your full payment amount."

Workers born in 1957 will see their monthly payments reduced by 27.5 percent if they sign up for Social Security at age 62, compared to a 26.67 percent benefit reduction for those born in 1956 and a 25 percent decrease for those born in 1954. For a worker eligible for a \$1,000 monthly Social Security benefit at his full retirement age, claiming at age 62 will reduce his monthly payment to \$750 if his birth year is 1954 and \$725 if he was born in 1957. "Relative to an earlier full retirement age, a later full retirement age means that the person gets less money per month, regardless of when they file," says Mike Piper, a certified public accountant and author of "Social Security Made Simple." Social Security's annual cost-of-living adjustments will be applied to these reduced payments, resulting in a smaller dollar value of the inflation adjustments as well.

**Less of a benefit for delaying claiming Social Security.** You can increase your monthly Social Security payments by [delaying claiming Social Security](#) after your full retirement age up until age 70. However, those who have an older retirement age have fewer months to delay claiming Social Security and less of an opportunity to earn delayed retirement credits. "If a person files at age 70, if they had a full retirement age of 66, that means they waited 48 months beyond full retirement age, so they would get 132 percent of their primary insurance amount," Piper says. "But if they file at 70 with a full retirement age of 66 and six months, that means they waited 42 months beyond full retirement age, so they would only get 128 percent of their primary insurance amount."

**The Medicare eligibility age remains the same.** While the Social Security full retirement age has increased over the past several years, the age when workers [qualify for Medicare](#) has remained age 65. Those who delay claiming Social Security until their full retirement age or later still need to sign up for Medicare at age 65 or maintain other group health insurance based on current employment to [avoid hefty Medicare late enrollment penalties](#). While many retirees have their Medicare premiums withheld from their Social Security checks, those who enroll in Medicare before starting Social Security will have to pay premiums out of pocket.

**Carefully determine the optimal age to start Social Security.** Your age when you [begin Social Security payments](#) plays a big role in the amount you will receive throughout retirement. But regardless of your birth year, there are several ways to boost your monthly Social Security payments including delaying claiming, continuing to work and coordinating benefits with a spouse. "When to claim benefits should be something that people take the time to analyze and make sure they know the impact of their decision," says Angie

Furubotten-LaRosee, a certified financial planner at Avea Financial Planning in Richland, Washington. "By delaying to at least full retirement age, right now between 66 and 67, or even delaying until age 70, people can increase the amount they will receive."