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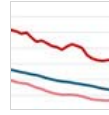


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Why You Should Wait Until Age 70 to Collect Social Security

The difference in the amount you receive each month may astound you, says one adviser

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By JANE A. ROSE

Nov. 10, 2013 4:18 p.m. ET

Sometimes I think people spend more time reviewing their vacation options than they do looking at their Social Security choices. People often want to collect Social Security as soon as they can, which for many is at age 62. Or they will wait until the standard "full retirement age," which is typically 66 or 67.

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In my view, taking benefits any time before age 70 is taking them too early.

Many clients don't even know they have the option of waiting to collect, or that by holding off they receive a guaranteed additional 8% increase each year up to age 70. That's the best annuity and the best interest rate around. Currently, the average Social Security benefit is \$1,250 a

month, which amounts to only \$15,000 a year. The amount remains low because so many seniors elect to start receiving benefits early.

The difference if you wait can be astounding. I have one client who was able to wait until she was 70 before drawing on her Social Security benefits. She rarely earned the maximum Social Security credits during her working career, but she receives more than \$34,000 a year.

Not everyone can work until they are 70. If clients want to retire before then, they need to have enough saved to live comfortably while waiting to collect Social Security. I've heard many advisers suggest clients take Social Security benefits as soon as they can. While clients will get the instant gratification that comes with collecting a monthly check from the government, they could end up struggling in 20 years if their other retirement savings run out.

Ms. Rose is vice president of RTD Financial Advisors Inc. in Philadelphia. She can be reached at reports@wsj.com.

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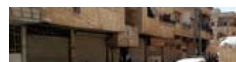
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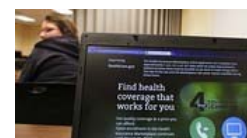
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