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On Finances and Getting Older

I write this article as a spectator of old age, although my vantage point is perhaps no longer from the cheap seats...I have moved up a few rows and have a somewhat different if not necessarily a better view of things.

Case in point...the question of retirement was heretofore a one variable formula. The unknown was money and how much of it was enough before one could say with confidence, "*Hasta la vista, baby.*" As we age, other variables may become more apparent, including life itself, and the quantitative and qualitative aspects of same.

When discussing money and aging, the topic of social security and when to claim benefits will often be part of the discussion. Is it better to take benefits at age 62 or wait and thereby have the benefit amount increased? I have heard that the tipping point is age 80. If one takes benefits at 62 and lives past 80, then there might be a financial loss when compared to the person who waits until 70 and receives an increased benefit amount. If one takes benefits at 62 and dies before 80, but for being dead, it seems that the choice to take benefits earlier may have worked out in that person's favor.

If the tipping point is age 80, then those who take the benefit at 62 have 18 years to use the early money. Those who wait until age 70, have 10 years to use an increased benefit and will break even with the person who took benefits at 62, at age 80.

The above-stated analysis is based solely on the numbers and does not include other factors that may affect the outcome. For example, if the benefits were taken early but saved and invested wisely, then it may be better to take the lesser amount early. This is still a bean-counter approach...let's look further.

This analysis may be aided if we take off our accountant hat and think like poets, philosophers or the fun-loving types we may all aspire to be. Would it be better to get some money earlier and use it when one is 62, an age when perhaps one is better able to spend it on what brings pleasure to the user and others, or wait eight years and at 70 spend more on something else, perhaps less enjoyable and beneficial. At 62, one could pay for greens fees, golf clubs and enjoy a day out on the course. So too might a 70 year old, but perhaps less likely.

Spending money on golf, vacations, a gym membership and the like when younger seems more inviting than having more to spend on healthcare or a care facility when older. Of course, the benefit of having more money later may help make the difference between staying at home and having institutional care, but not necessarily.

A more nuanced and thereby potentially better analysis would include closely reviewing assets, income, budget, if employment will be continued and rules affecting payment options for folks who are or were married and many other considerations.

It seems that money has value beyond what is engraved on the coin or printed on the bill. Perhaps there is value associated with how we use it. A nickel is worth five cents only because we say so and thereafter believe it. It has the value we give to it and nothing more. At some point the value of money may bump up against something that is valued more. When this occurs, it may be old age or it may be wisdom, but in either event, the nickel may somehow seem to be worth less.

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