

Motley Fool

Social Security's Delayed Retirement Credits

If you wait to claim benefits, delayed retirement credits can increase your Social Security income by 8% for every year you delay.

Todd Campbell

May 14, 2017

Want a bigger payday in retirement? Consider working a few more years. Thanks to delayed retirement credits, working until 70 can result in a much bigger Social Security check. How big depends on when you were born, and how long you end up delaying, so let's take a closer look.

What are delayed retirement credits?

If you qualify for Social Security, you can claim your benefits [as early as age 62](#), but you won't get 100% of the benefit you're entitled to unless you wait to claim until you reach your full retirement age.

Your full retirement age depends on when you were born. If you were born between 1943 to 1954, it's 66 years old. However, if you were born after 1955, it ranges between age 66 and 2 months and age 70.

In an effort to [reduce how much money Social Security pays out](#) to beneficiaries every year, the program offers incentives that encourages people to delay claiming their benefits beyond their full retirement age.

These delayed retirement credits increase your Social Security income by two-thirds of 1% for every month you hold off claiming, and you can collect these credits up until age 70. Overall, the monthly increase works out to about an 8% increase per year, if you were born after 1943.

The following table shows how much more, in percentage terms, you can receive if you wait to claim benefits at age 70. Depending on when you were born, you can get a monthly benefit check that's up to 132% of the amount you would otherwise receive at full retirement age. Thus, if your payment is hypothetically \$1,000 per month at your full retirement age of 66, and you wait until age 70 to claim, you could collect \$1,320 per month instead because of these credits.

Birth Year	Full Retirement Age		% Paid Based on Age When You Claim	
		66	67	70
1943-54	66	100	108	132
1955	66, 2 months	98 8/9	106 2/3	130 2/3
1956	66, 4 months	97 7/9	105 1/3	129 1/3
1957	66, 6 months	96 2/3	104	128
1958	66, 8 months	95 5/9	102 2/3	126 2/3
1959	66, 10 months	94 4/9	101 1/3	125 1/3
1960 and later	67	93 1/3	100	124

DATA SOURCE: SOCIAL SECURITY ADMINISTRATION.

Should you wait?

When to claim Social Security is a personal decision that depends on your finances, retirement goals, employment situation, and health. If your only consideration is maximizing your monthly income from Social Security, delayed retirement credits could make waiting to claim until 70 smart. However, if you decide to wait, make sure you still file for your Medicare benefits at age 65. If you don't, you could face stiff penalties that take a big cut of your extra income from these credits.