

TIMING SOCIAL SECURITY

WHAT TO CONSIDER BEFORE YOU CLAIM

A guide to understanding how your claiming decision may fit into your broader retirement income strategy.





About ILG Financial

ILG Financial is committed to helping individuals and families make more informed, confident decisions about their financial future. With a focus on retirement income planning, the firm works closely with clients to develop strategies that align with their goals, values, and long-term priorities.

Rather than focusing solely on accumulation, ILG emphasizes thoughtful planning—helping clients understand how different financial decisions today may impact their income, flexibility, and overall outcomes in retirement.

Our Process

At ILG Financial, planning begins with education. Clients are guided through key concepts that may influence long-term financial outcomes, including how different income sources can be taxed and how those factors may change over time.

From there, strategies are developed with a focus on retirement income clarity, tax awareness, and flexibility in how and when income is accessed. This helps clients better understand their options, weigh important trade-offs, and make more informed decisions for the future.



Goal

To help you make thoughtful retirement decisions with greater clarity and confidence.

In This Guide

Social Security is often one of the most familiar parts of retirement planning, but it is also one of the most commonly misunderstood. This guide walks through several key considerations that can help you think more clearly about when and how to claim benefits.

- 1 Why Social Security Timing Matters**
How your claiming decision may affect more than your first monthly check.
- 2 Understanding Full Retirement Age**
Why Full Retirement Age is an important benchmark, but not the only factor to consider.
- 3 Claiming Early vs. Waiting**
A look at the trade-offs between starting benefits sooner or delaying.
- 4 Spousal and Survivor Considerations**
How claiming decisions may affect household income over time.
- 5 Taxes and Social Security Benefits**
Why Social Security should be considered alongside your broader income picture.
- 6 Common Mistakes to Avoid**
Frequent assumptions that can create confusion or limit flexibility.
- 7 Questions to Discuss Before You Claim**
Helpful prompts to guide a more informed planning conversation.



”

Social Security is not
just a benefit decision.
It is a **retirement
income** decision.

The timing of your claim can
influence income, flexibility, and
planning options over time.

Why Timing Matters

Social Security often serves as a foundational source of retirement income. For many individuals and couples, it can provide income that continues for life and may play an important role in supporting essential expenses.

But the timing of your claim matters. Claiming earlier generally provides income sooner, while waiting may increase your monthly benefit. The right decision depends on several factors, including your income needs, health, family situation, tax picture, and other retirement resources.

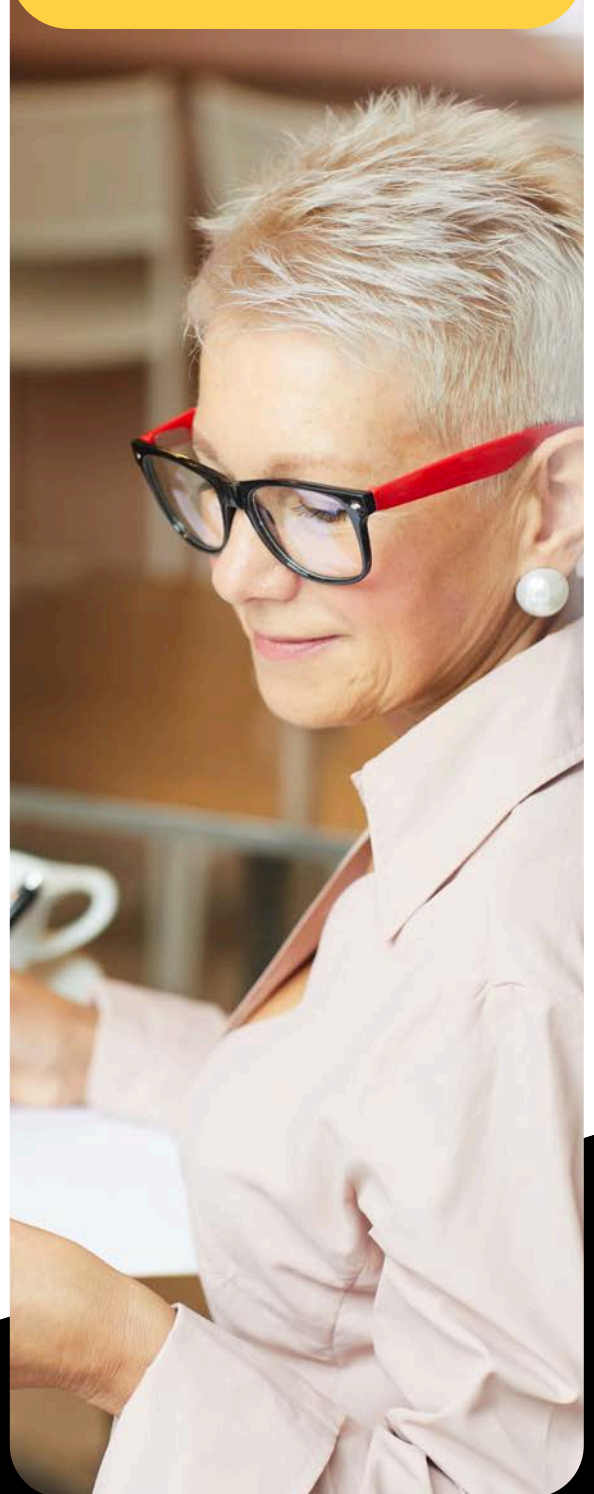
A claiming decision should not be made based on age alone. It should be evaluated as part of your broader retirement income strategy.



Key Idea

The “right” claiming age depends on more than when you are eligible. It should be considered within the context of your overall retirement plan.

Your claiming age may affect more than your first monthly check.



Understanding Full Retirement Age

Full Retirement Age is an important benchmark when evaluating when to claim.

Full Retirement Age, often called FRA, is the age when you may be eligible to receive your full Social Security retirement benefit based on your earnings record. Your FRA depends on your year of birth.

You may be eligible to begin receiving retirement benefits as early as age 62, but claiming before Full Retirement Age generally reduces your monthly benefit.

Delaying benefits beyond Full Retirement Age may increase your monthly benefit, up to age 70.

Full Retirement Age is an important reference point, but it is not automatically the best age for everyone to claim. Your broader financial situation should help guide the decision.

Age 62

Earliest general eligibility for retirement benefits

Full Retirement Age

Benchmark for full retirement benefit

Age 70

Point at which delayed retirement credits stop increasing benefits

Planning Note

**Full Retirement Age is a benchmark, not a recommendation.
The best timing strategy depends on your personal circumstances.**

Claiming Early vs. Waiting

Each choice involves trade-offs.

One of the most common Social Security questions is whether to claim early or wait. Both choices can make sense depending on the situation, but each involves trade-offs that should be considered carefully.

Claiming Earlier

Claiming earlier may provide income sooner, which can be helpful for those who need cash flow, retire earlier than expected, or have health or family considerations that influence timing.

Potential considerations

- ⇒ Income begins sooner
- ⇒ Monthly benefit is generally reduced
- ⇒ May help meet near-term income needs
- ⇒ May make sense depending on health, employment, or other resources

Waiting Longer

Waiting may increase the monthly benefit amount, which can support long-term income planning. However, delaying benefits generally requires other income sources during the waiting period.

Potential considerations

- ⇒ Monthly benefit may increase
- ⇒ May support longer-term income needs
- ⇒ Requires a plan for income before benefits begin
- ⇒ May be especially important for couples considering survivor income



There Is No Universal Answer

The best timing strategy depends on income needs, health, marital status, taxes, life expectancy, and other retirement resources.

Spousal and Survivor Considerations

For couples, claiming decisions may affect household income over time.

Social Security decisions can be especially important for married couples because one person's claiming decision may affect more than their own monthly benefit. In some cases, spousal or survivor considerations may influence how a couple evaluates timing.

For example, the timing of one spouse's benefit may affect income available to a surviving spouse later. This is one reason Social Security should often be viewed at the household level, not just as an individual decision.

These rules can be complex, and the right approach depends on each couple's circumstances. A coordinated strategy can help couples think through income needs today and potential income needs in the future.



For Couples

Social Security timing should often be evaluated at the household level, especially when survivor income may be a concern.

Taxes and Social Security Benefits

Social Security may be part of your taxable income picture.

Many retirees are surprised to learn that Social Security benefits may be taxable depending on their overall income. Other sources of income, such as IRA withdrawals, pensions, wages, or investment income, may affect how benefits are taxed.

This is why Social Security should not be viewed separately from the rest of your retirement income plan. The timing and coordination of income sources can influence your broader tax picture. Understanding how Social Security fits with other income sources can help create a more coordinated retirement strategy.



Important to Know

Depending on your overall income, a portion of Social Security benefits may be taxable.

Common Mistakes to Avoid

Small assumptions can create long-term planning consequences.

Social Security decisions are often made quickly, but the long-term impact can be meaningful. Before claiming, it can be helpful to step back and consider the assumptions behind the decision.

Claiming based only on the earliest available age

Eligibility does not necessarily mean it is the right time to begin benefits.

Ignoring spousal or survivor implications

For couples, one claiming decision may affect household income over time.

Overlooking the tax impact

Other income sources may affect whether a portion of Social Security benefits is taxable.

Failing to coordinate with retirement withdrawals

Social Security timing should be considered alongside investment withdrawals, pensions, and other income sources.

Assuming one strategy works for everyone

The best claiming approach depends on individual goals, health, income needs, and broader planning considerations.



Before You Claim

Consider how Social Security fits with your income needs, tax picture, health, marital status, and long-term retirement goals.

Part of a Bigger Retirement Picture

Social Security can play an important role in retirement, but it is only one part of the larger income picture. A thoughtful retirement strategy considers how Social Security works alongside other income sources, including investment accounts, pensions, savings, and other assets.

The timing of benefits may also connect to tax planning, healthcare costs, longevity planning, and legacy goals.

Social Security is one piece of a broader income strategy.

When these pieces are coordinated, retirees may have a clearer understanding of how their income plan is designed to work over time.

The goal is not simply to claim benefits.

The goal is to make a claiming decision that supports the broader retirement plan.



The Goal Is Coordination

A thoughtful Social Security decision should support the larger retirement income plan.

Questions to Discuss Before You Claim

A stronger claiming decision starts with better questions.

Before deciding when to claim Social Security, consider discussing the following questions with your advisor.



- ☐ When will I need income from Social Security?
- ☐ How would claiming earlier or later affect my monthly benefit?
- ☐ How might my decision affect my spouse or survivor benefits?
- ☐ Could my other retirement income affect how my benefits are taxed?
- ☐ How does Social Security fit into my overall retirement income plan?
- ☐ What other resources could provide income if I delay benefits?
- ☐ How does my health, family history, or longevity outlook factor into the decision?



These questions do not always have simple answers, but they can help create a more informed planning conversation.

Ready to Talk Through Your Options?

Social Security is an important retirement decision, but it does not need to be made in isolation. A thoughtful conversation can help you evaluate how your claiming strategy may fit into your broader retirement income plan.

If you are approaching retirement or thinking through when to claim benefits, consider scheduling a conversation to review your options.

ILG Financial

(540) 720-5656

info@ilgfinancial.com

www.ilgfinancial.com



Scan to schedule a
conversation.

Sources & References

The following sources were referenced in the development of this guide and may provide additional context on the topics discussed.

- ⇒ Social Security Administration — Retirement Benefits and Claiming Age Information
- ⇒ Social Security Administration — Full Retirement Age and Delayed Retirement Credits
- ⇒ Social Security Administration — Spousal and Survivor Benefits Information
- ⇒ Internal Revenue Service — Taxation of Social Security Benefits
- ⇒ Investor.gov / U.S. Securities and Exchange Commission — Retirement Planning Education
- ⇒ FINRA — Investor Education Resources



Important Disclosure

This guide is for informational purposes only and is not intended as tax, legal, or investment advice. Individuals should consult with qualified professionals regarding their specific circumstances before making financial decisions.

Investment advisory and financial planning services are offered through Alphastar Capital Management LLC (“Alphastar”), a SEC registered investment adviser. SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the adviser or investment adviser representative has attained a particular level of skill or ability. Additional information about Alphastar Capital Management, LLC is also available on the SEC’s website at adviserinfo.sec.gov. ILG Financial and Alphastar Capital Management, LLC are separate and independent entities. The firm only transacts business in states where it is properly registered or is excluded or exempted from registration requirements. ILG Financial offers insurance products through individuals licensed to sell insurance. Comments regarding guaranteed returns or income streams refer only to fixed insurance products offered by ILG Financial and, unless specifically stated, do not refer in any way to securities or investment advisory products offered by Alphastar. Fixed insurance and annuity product guarantees are subject to the claims paying ability of the issuing company and are not offered or guaranteed by Alphastar.