4 QUESTIONS TO ASK YOURSELF AS YOU PLAN FOR RETIREMENT

**By Kirk Larson**

**Social Security Washington Public Affairs Specialist**



Deciding when to start receiving your retirement benefits from Social Security is a decision that only you can make, and you should make that decision with as much information as possible. There are a lot of important questions to answer. Should you claim benefits earlier and get a smaller monthly payment for more years? Or should you wait and get a bigger monthly amount over a shorter period? There are no right or wrong answers, but we encourage you to consider these four important questions as you plan for your financially secure retirement:

**How much money will I need to live comfortably in retirement?**

Anticipate what your expenses will be in retirement, including things like mortgage payments or rent, utilities, healthcare insurance and related costs, food, personal care, car payments and maintenance, entertainment, hobbies, travel, and credit card or other debt. Also, consider whether you’ll need to provide for your spouse, children, or grandchildren.

**What will my monthly Social Security retirement benefit be?**

The average monthly Social Security benefit for a retired worker in 2018 is $1,404 (up from $1,377 in 2017). The average monthly Social Security benefit for a disabled worker in 2018 is $1,197 (up from $1,173 in 2017). As a reminder, eligibility for retirement benefits still requires 40 credits (usually about 10 years of work).The Social Security Act details how the annual Cost of Living Adjustment (COLA) is calculated. You can read more about the COLA at [www.socialsecurity.gov/cola](http://www.socialsecurity.gov/cola?utm_source=mip0118&utm_medium=online-media&utm_content=4-Questions-to-Ask-Yourself-as-You-Plan-for-Retirement&utm_campaign=ocomm-mip-fy18). The best way to get an estimate of your retirement benefit is with a *my Social Security* account. Get yours today at [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount?utm_source=mip0118&utm_medium=online-media&utm_content=4-Questions-to-Ask-Yourself-as-You-Plan-for-Retire).

**Will I have other income to supplement my Social Security benefits?**

Secure your financial future with a retirement portfolio that includes savings, investments, and possibly a pension plan. If you’re willing and able, you may choose to increase your income by working past retirement age. Social Security replaces a percentage of a worker’s pre-retirement income based on your lifetime earnings. The amount of your average wages that Social Security retirement benefits replaces varies depending on your earnings and when you choose to start benefits. If you start benefits at age 67, this percentage ranges from as much as 75 percent for very low earners, to about 40 percent for medium earners, to about 27 percent for high earners. If you start benefits after age 67, these percentages would be higher. If you start benefits earlier, these percentages would be lower. Most financial advisors say you will need about 70 percent of pre-retirement income to live comfortably in retirement, including your Social Security benefits, investments, and other savings.

**How long do I expect my retirement to last?**

Anticipate the length of your retirement, keeping in mind that many American workers will live much longer than the “average” retiree. Consider your health, family longevity, and lifestyle. Your Social Security retirement benefits will provide continuous income for as long as you live, protecting you even if your other sources of income run out. Discover your life expectancy with our online calculator at [www.socialsecurity.gov/OACT/population/longevity](http://www.socialsecurity.gov/OACT/population/longevity.html?utm_source=mip0118&utm_medium=online-media&utm_content=4-Questions-to-Ask-Yourself-as-You-Plan-for-Retirement&utm_campaign=ocomm-mip-fy18). No one can predict the future perfectly, but careful planning and preparation will help you to make a well-informed decision about when to start receiving your Social Security benefits.

If you’ve contributed enough to the Social Security system through FICA payroll taxes, you can receive your full retirement benefit at age 66 or 67 depending on when you were born. You may also claim it sooner, starting at age 62, at a permanently reduced rate. Or you may wait until after your full retirement age, increasing your benefit amount by up to 8 percent per full year to age 70.

Social Security is with you through life’s journey, and we’re here to help you prepare for a financially secure future for you and your family. We invite you to use our online retirement planners at [www.socialsecurity.gov/planners/retire/](http://www.socialsecurity.gov/planners/retire/?utm_source=mip0118&utm_medium=online-media&utm_content=4-Questions-to-Ask-Yourself-as-You-Plan-for-Retirement&utm_campaign=ocomm-mip-fy18).

To learn more about all of our programs, please join us at [www.socialsecurity.gov](http://www.socialsecurity.gov?utm_source=mip0118&utm_medium=online-media&utm_content=4-Questions-to-Ask-Yourself-as-You-Plan-for-Retirement&utm_campaign=ocomm-mip-fy18).