



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 The Wealth Guardians & Ray Financial Group

Our mission is to execute financial strategies that safeguard retirement savings and give our clients the peace of mind to enjoy the life they've created.

The Wealth Guardians & Ray Financial Group are an independent, holistic financial planning firm focused on retirement planning. In both our Clemmons and Charlotte offices, our team is committed to providing financial services and retirement advice that is comprehensive, individualized and based on strategies that focus on downside protection. We have 25+ years of experience in the retirement planning sector and we have the privilege of serving over 450+ clients and their families.

The Wealth Guardians & Ray Financial Group are fiduciaries and we will always act in our clients' best interests. We are motivated by building relationships, not by selling products.

Our Core Values

The Wealth Guardians & Ray Financial Group team is guided by our core company values:

- We emphasize financial education in all our interactions.
- We plan holistically versus act transactionally.
- We strive to demonstrate a high level of competence and excellence every day.



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.
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A look at the trade-offs between starting benefits sooner or delaying.
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A photograph of an older man and a younger woman with dreadlocks, both smiling and looking at a laptop screen. The man is wearing glasses and a white sweater, and the woman is wearing a white sweater. The image is overlaid with a semi-transparent dark blue layer. In the top right corner, there are two diagonal stripes, one dark blue and one gold. In the bottom left corner, there is a logo for 'Wealth Guardians' featuring a lighthouse and the text 'WEALTH GUARDIANS' on a banner.

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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.



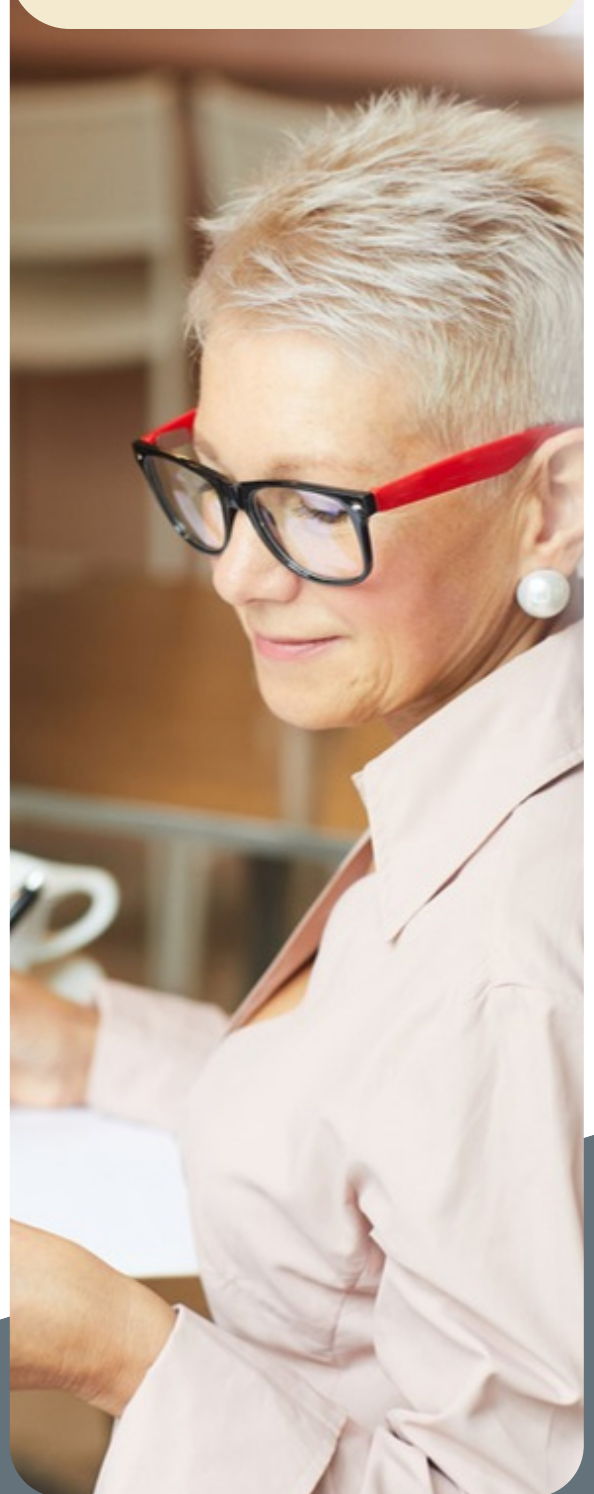
Why Timing Matters

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.

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



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.



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 your benefits, we encourage you to schedule a conversation with one of our advisers to review your options.

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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



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