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Complete Guide

Social Security Maximizer: The Claiming Strategy That Adds \$100k+

Social Security is the only inflation-protected, longevity-insured, government-guaranteed income stream most Americans will ever receive — and the claiming age you choose determines the size of that stream for the rest of your life. Claim at 62 with a Full Retirement Age of 67 and your benefit is permanently cut by 30%. Delay to 70 and it is permanently increased by 24% above FRA, or 77% above the 62-filing amount. On a \$2,000 PIA the monthly gap between those two extremes is \$1,080 — \$12,960 per year, every year, for life, indexed to inflation. Over 20 years at 2.5% annual inflation that gap compounds to well over \$300,000 in additional lifetime income. This guide gives you the exact reduction and credit rates, the full breakeven math, the 2025 earnings-test thresholds that matter if you plan to keep working, and the complete worksheet for deciding which claiming age maximizes your lifetime outcome based on your actual health and longevity outlook.

1. Foundation

Full Retirement Age is the pivot point for every Social Security calculation, and it depends entirely on the year you were born. FRA is 66 for anyone born in 1954 or earlier. It increases by two months per birth year from 1955 through 1959: those born in 1955 have FRA of 66 and 2 months, 1956 is 66 and 4 months, 1957 is 66 and 6 months, 1958 is 66 and 8 months, 1959 is 66 and 10 months. Anyone born in 1960 or later has FRA of 67. The Primary Insurance Amount (PIA) is calculated from your highest 35 years of indexed earnings and represents 100% of your benefit — the number SSA uses as the baseline for every reduction or credit calculation.

Early claiming cuts your PIA by a rate that accelerates beyond 36 months before FRA. For the first 36 months before FRA, benefits are reduced by 5/9 of 1% per month (6.67% per year). For any months beyond 36, the reduction accelerates to 5/12 of

1% per month (5% per year). A person with FRA of 67 who claims at 62 is filing 60 months early: $36 \text{ months} \times (5/9 \times 1\%) = 20\%$ reduction, plus $24 \text{ months} \times (5/12 \times 1\%) = 10\%$ reduction, for a total of 30%. On a \$2,000 PIA, the 62-filing amount is \$1,400/month. That reduction is permanent. It does not reverse at age 67. It does not phase out. Every cost-of-living adjustment you receive for the rest of your life is applied to that permanently reduced base, which means early claiming compresses the purchasing power of every future COLA as well.

Delayed Retirement Credits add 8% per year in permanent benefit increases for every year you wait past FRA up to age 70. At 2/3 of 1% per month from FRA to 70, a person with FRA of 67 who waits until 70 earns 36 months of credits: $36 \times 0.667\% = 24\%$. On a \$2,000 PIA the 70-filing amount is \$2,480/month. The annual income difference between claiming at 62 versus 70 is \$12,960 ($\$1,080/\text{month} \times 12$). Breakeven against early claiming typically falls between ages 78 and 82 depending on which starting point you compare, at 2% to 3% discount rates. For anyone with a family history suggesting longevity above age 80 or moderate-to-good health at 62, delayed claiming is almost always the superior lifetime strategy. For those with serious health conditions or life expectancy below 75, early claiming often wins. The calculation is actuarial, not emotional.

The earnings test can temporarily withhold benefits if you claim before FRA while continuing to work — and its thresholds are specific numbers you must know before making any claiming decision. In 2025 the exempt amount before FRA is \$22,320 per year. For every \$2 of earnings above that amount, \$1 of Social Security benefit is withheld. In the calendar year you reach FRA the exempt amount rises to \$59,520, with \$1 withheld for every \$3 above the limit through the month you hit FRA. Once you reach FRA the earnings test disappears entirely — you can earn unlimited wages with no benefit reduction. Critically, benefits withheld under the earnings test are not lost; SSA recalculates your benefit at FRA and gives you credit for withheld months in the form of a slightly higher ongoing benefit. However, the recalculation takes 12 to 18 months after FRA to reflect, and the break-even on recovered benefits runs several years out, which is why the earnings test is generally cited as another reason not to claim before FRA if you plan to keep working.

2. Step-by-Step System

1

Pull your Social Security Statement from ssa.gov/myaccount and verify your earnings record line by line

Create or log in to your my Social Security account at ssa.gov/myaccount. Download your Social Security Statement and review the earnings history table year by year. SSA can contain data entry errors — a missing year is not unusual, particularly for those who changed employers, had a name change, or worked multiple part-time jobs in a single year. The statute of limitations for correcting most earnings record errors is 3 years, 3 months, and 15 days after the close of the tax year in question. An error on your 2021 return must be corrected before approximately April 15, 2025. You need your W-2s or tax returns from the affected year to dispute an error. Missing a \$40,000 salary year that should have appeared in your earnings record can reduce your PIA by hundreds of dollars per month for life — a correction that takes a few hours now is worth reviewing.

2

Calculate your PIA at three claiming ages — 62, your FRA, and 70 — using the exact reduction and credit rates

Your SSA Statement shows your estimated monthly benefit at ages 62, FRA, and 70. Use those estimates as your starting PIAs. Then run the precise arithmetic: for your birth year, identify your FRA. Calculate months from 62 to FRA and from FRA to 70. Apply 5/9% per month for the first 36 early months, 5/12% per month for any additional early months, and 2/3% per month for each delayed month past FRA. Write down three numbers: your monthly benefit at 62, at FRA, and at 70. These three numbers are the only inputs you need for breakeven analysis. If your SSA Statement estimate is based on an assumption of future earnings that do not match your plans (SSA assumes you keep earning at your recent rate), adjust the PIA using SSA's online calculator at ssa.gov/oact/anypia/.

3

Run the breakeven calculation at three discount rates: 0%, 2%, and 4%

The breakeven age tells you how long you must live for delayed claiming to pay more in total than early claiming. Calculate cumulative lifetime benefits at each claiming age month by month, then find where the higher monthly payment of delayed claiming catches up to the accumulated head start of early claiming. At 0% discount rate (no time value adjustment): for most PIAs, waiting from 62 to FRA breaks even around age 76-77; waiting from FRA to 70 breaks even around age 80-82. At 2% annual discount rate (inflation adjustment): breakeven shifts roughly 1-2 years later. At 4% discount rate (investment opportunity cost): breakeven shifts another 1-2 years. If your realistic life expectancy — based on family history, current health, gender, and lifestyle — exceeds the breakeven age at your preferred discount rate, delay wins. If it falls short, claiming earlier wins. Average life expectancy for a 62-year-old woman is approximately 86; for a man approximately 83. Most people should run this calculation for their own numbers before making the irreversible claiming decision.

4

Identify spousal benefit eligibility and understand the 50% PIA cap and sequencing rules

A spouse who is at least 62 and married for at least 1 year is eligible for a spousal benefit equal to up to 50% of the working spouse's PIA at the working spouse's FRA — not based on the working spouse's claimed amount. If your spouse's own benefit is lower than 50% of your PIA, SSA automatically pays the higher amount. Spousal benefits are also reduced for early claiming: if the claiming spouse files before their own FRA, the spousal benefit is permanently reduced. One nuance: the working spouse must have filed for their own benefit before the lower-earning spouse can begin receiving the spousal benefit. The highest-income earner delaying to 70 while the lower-income spouse claims at 62 is frequently the most efficient couple strategy, but it must be planned explicitly before either spouse claims.

5

Model the Medicare and IRMAA interaction before finalizing your claiming age

Social Security income is not taxed the same way as earned income, but it is included in Modified Adjusted Gross Income (MAGI) for Medicare IRMAA purposes. In 2025, single filers with MAGI above \$106,000 (married above \$212,000) pay Income-Related Monthly Adjustment Amounts on top of standard Medicare Part B premiums (\$185/month standard in 2025). The first IRMAA tier adds \$74.90/month per person; higher tiers add substantially more. If delaying Social Security means drawing down retirement accounts at a higher rate and pushing MAGI into an IRMAA tier, that adds an effective cost to the delay strategy. Conversely, working past 62 while deferring Social Security and building Roth assets may reduce MAGI in later years, potentially keeping you below IRMAA thresholds permanently. IRMAA uses a two-year look-back, so income in 2025 affects 2027 Medicare premiums. This interaction is worth modeling in a spreadsheet or with a fee-only financial planner before committing to a claiming strategy.

6

Lock in your claiming decision and understand the 12-month retroactive application window

Once you decide your optimal claiming age, note that SSA allows retroactive applications for up to 6 months for those who are already past FRA. This means someone who is 68 and has not yet filed can claim now and receive a one-time retroactive payment covering up to 6 months of benefits — but the permanent ongoing benefit amount is reduced by exactly the number of retroactive months claimed (because each retroactive month reduces the delayed retirement credit count by one). The maximum retroactive period is 6 months if you are past FRA; there is no retroactive application available if claiming before FRA. If you decide to delay past 70, there is no additional credit — the maximum delayed credit of 24% is earned at exactly age 70, so claiming at 70 years 0 months is optimal. File 4 months before you want benefits to begin to allow SSA processing time.

3. Key Worksheets & Checklists

Complete the claiming-age analysis table before discussing any Social Security decision with a spouse, financial adviser, or SSA representative. Having all three benefit amounts and the breakeven calculation documented in writing prevents the common error of making an irreversible election based on a single number without comparing the full range of outcomes.

Claiming-Age Comparison Table

Metric	Claim at 62	Claim at FRA	Claim at 70
Monthly benefit	\$__	\$__ (PIA)	\$__
Annual benefit	\$__	\$__	\$__
% of PIA	__% (FRA 67 = 70%)	100%	124%
Cumulative at age 75	\$__	\$__	\$__
Cumulative at age 80	\$__	\$__	\$__
Cumulative at age 85	\$__	\$__	\$__
Breakeven vs. FRA claim	Age __	—	Age __

Pre-Filing Decision Checklist

- Log in to ssa.gov/myaccount and download your current Social Security Statement.
- Review all years in your earnings history. Flag any year with missing or lower-than-expected wages and gather W-2s or tax returns from that year.
- Record your PIA (FRA benefit), your 62 benefit, and your 70 benefit from your Statement.
- Identify your FRA exactly based on your birth year (1955: 66+2mo, 1956: 66+4mo, 1957: 66+6mo, 1958: 66+8mo, 1959: 66+10mo, 1960+: 67).
- Run cumulative benefit totals at ages 75, 80, and 85 for all three claiming ages to find your personal breakeven.
- Check whether you plan to work after 62 and earn above \$22,320/year; if yes, model the earnings-test impact on early claiming.
- Identify your spouse's PIA and model the spousal benefit strategy — especially the survivor benefit impact of the higher earner's claiming age.
- Project your 2025 and 2026 MAGI to assess IRMAA exposure at different Social Security income levels.
- Consult your personal health history and family longevity to estimate a realistic life expectancy relative to breakeven ages.
- If past FRA and still working, model the retroactive application option (up to 6 months) against the permanent benefit reduction it causes.

2025 Key Thresholds Quick Reference

Threshold	2025 Amount
SS wage base (SE tax)	\$176,100
Earnings test — before FRA	\$22,320/yr (\$1 withheld per \$2 over)
Earnings test — year of FRA	\$59,520/yr (\$1 withheld per \$3 over)
Medicare Part B standard premium	\$185.00/month
IRMAA Tier 1 (MAGI \$106K-\$133K single)	+\$74.90/month
IRMAA Tier 2 (MAGI \$133K-\$167K single)	+\$187.90/month
SS taxation threshold (combined income)	\$25,000 single / \$32,000 MFJ (50% taxable); \$34,000/\$44,000 (85% taxable)
Maximum SS benefit at 70 (2025)	\$4,018/month

4. Common Mistakes

Claiming at 62 because "I paid in and want to get my money back"

Social Security is not a savings account. It is a longevity insurance product with an actuarially set break-even. The argument "I'll take it early and invest the difference" requires consistently earning a real return above 5-6% annually in a taxable account for 8 years to overcome the permanent benefit reduction. Most people do not do that, and the argument also ignores that Social Security income is CPI-indexed, partially tax-protected relative to investment income, and cannot be outlived. The decision should be made on actuarial and tax grounds, not on emotions about "getting back" money that does not function the way a savings withdrawal does.

Ignoring the survivor benefit when making a couples claiming decision

When the higher-earning spouse claims at 62 instead of 70 and then dies first, the surviving spouse is locked into a permanently reduced survivor benefit for the rest of their life. On a \$3,000 PIA the difference between the deceased spouse claiming at 62 (leaving a \$2,100 survivor benefit) versus claiming at 70 (leaving a \$3,720 survivor benefit) is \$1,620/month to the widow or widower. Women outlive men by an average of 5 years, which means this is not a theoretical concern. It is frequently the single most expensive financial decision a couple makes, and it is irreversible once made.

Failing to verify the Social Security earnings record before filing

Once you file and begin collecting benefits, any discrepancy in your earnings history affects your benefit amount for life. The earnings record at ssa.gov shows every year SSA has on file. A missing high-earning year reduces your highest-35-year average, which reduces your PIA, which reduces every monthly payment for the rest of your life. Checking and correcting the record while still working takes a few hours. After filing, corrections are possible but the process is longer and more cumbersome. Check the record at least once every five years before claiming.

Not accounting for Social Security's impact on Medicare premiums

Social Security income is counted in MAGI for IRMAA purposes with a two-year look-back. A person who claims early and receives Social Security income while also taking IRA distributions may push MAGI into an IRMAA tier, adding \$75 to \$275 per person per month in Medicare Part B and Part D premium surcharges. For a couple, that can amount to \$3,600 to \$6,600 per year in additional Medicare costs — a cost that should be modeled explicitly in any claiming-age analysis, not discovered on the Medicare determination letter two years later.

5. Next Steps

Create your my Social Security account at ssa.gov/myaccount this week if you do not already have one, download your Statement, and run the three-claiming-age comparison using the worksheet above before making any other Social Security decision. If you are married, do not analyze your claiming strategy in isolation — run both spouses' PIAs through the couple coordination worksheet in the [Social Security Optimizer: Couples Edition](#) guide, because the survivor benefit interaction almost always changes the optimal strategy for the higher-earning spouse. For a comprehensive retirement income projection that integrates Social Security with your portfolio withdrawal rate and expense plan, use the [FIRE Calculation Workbook](#). If you are within 24 months of your target claiming age, schedule a free consultation with a Social Security specialist at your local SSA office or use the SSA's Benefit Eligibility Screening Tool at ssa.gov/planners/ to verify all benefit types you may qualify for.

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