

Second Guessing Your Social Security?

What to know if you have Social Security regrets



By Michael Lynch, Managing Director of Hartford Funds Applied Insights

Imagine that, at 62 years old and after years of working, you decide it's finally time to retire. You've seen headlines warning that Social Security might run out, so you think it's best to claim it while you can.

You file for benefits and begin receiving Social Security money. You're confident that you've made the right decision, however, the reactions you receive from family and friends aren't what you expected. Instead of excitement, you hear questions such as, "Why did you file so early?" "Do you know how much you're losing in benefits?" "Are you sure this is the best decision?" Doubt creeps in, and you suddenly wonder if you made a big mistake.

You're not alone in these feelings. In fact, 37% of Americans regret claiming Social Security benefits early.¹ So, is there anything you can do if you think you made the wrong choice?

Sometimes, It Makes Sense to File for Social Security Early

There are legitimate reasons to file early. If an individual has a history of health problems, filing early might make sense. Why? Because if they wait until 70, they might not live long enough to enjoy those benefits. Health concerns are a big reason people take Social Security early: 35% of Americans who filed at 62 mentioned family health issues as a factor in their decision.²



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Source: Will You Regret Taking Social Security Early? The Motley Fool, 10/8/23

Unanticipated job loss is another leading reason people choose to file early for Social Security. About 7 in 10 retirees say they were forced to stop working earlier than expected due to reasons beyond their control.³ Without enough savings to cover living expenses, taking Social Security early could provide a steady income to help pay bills and get through a tough time.

Regardless of why someone might file for Social Security early, you should still understand the consequences. Delaying filing until age 70 can maximize your benefit amount. According to 2023 data from the Social Security Administration (SSA), the average retired worker collects around \$1,298 per month in benefits at age 62. However, at age 70 the average benefit is around \$2,038 per month—a difference of \$740 per month.

The table below shows how much a \$1,500 Social Security benefit could increase each month if you wait until your full retirement age to claim benefits.

If You Claim at This Age	When Your FRA Is	Your Benefits Will Be	Instead of
63	66	\$1,200	\$1,125
64	66	\$1,300	\$1,125
65	66	\$1,399	\$1,125
66	66	\$1,500	\$1,125
67	66	\$1,620	\$1,125
68	66	\$1,740	\$1,125
69	66	\$1,860	\$1,125
70	66	\$1,980	\$1,125

Source: The Motley Fool 2022

If you’re interested in filing early for Social Security benefits, a financial professional can help you consider your income sources and options and alleviate any concerns. Working through the pros and cons and playing out future scenarios may help inform your decision, but if you’ve filed early and regret it, there’s still time reverse that decision.

How to Withdraw Your Application

If you ultimately decide you filed too early, you have a one-time opportunity to revoke your application within the first year of filing. The process is relatively simple, but there are conditions to be aware of:

1. You have one year from the date you filed to withdraw your application. Any withdraw attempts after one year will not be permitted.
2. You will be required to repay all benefits received by you and your spouse from your retirement application.

First, you will need to fill out a withdrawal application from the ssa.gov website. Print and complete Form SSA-521, and mail it to your local SSA office. They’ll let you know when your application has been received, reviewed, and withdrawn.

Once your application is withdrawn, you can reapply for benefits at a later date, and potentially increase your benefit payment depending on how long you delay claiming.

Next Step

Reach out to your financial professional who can help you make informed decisions and avoid snap judgments.



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Mike educates financial professionals and their clients on a variety of financial topics. He translates the expertise of our various partnering experts—such as psychologists, physiologists, and practice-management specialists—into practical, actionable ideas and tools to make sense of a rapidly evolving financial and demographic landscape.

Sources:

¹ Will You Regret Taking Social Security Early? The Motley Fool, 10/8/23

² The No. 1 Reason to Claim Social Security at Age 62, The Motley Fool, 1/20/22. Most recent data available.

³ Planning on retiring at 65? Most Americans retire far earlier — and not by choice, CBS News, 4/26/24

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