Your Social Security: It's generally worth it to take benefits at age 62

by Tom_Margenau

Q: My husband is about to turn age 62. He isn't in the best of health. He's been an actor most of his life but he never made much money. (Most actors don't make the kind of money Tom Cruise does!) His annual Social Security statements say he can expect to get a small retirement check of about $500. On the other hand, I've always made quite a bit of money. My Social Security statements say I should get $2,200 per month. So I always assumed my husband would be able to get part of my Social Security. The problem is I'm only 55 years old and won't be eligible for Social Security for seven years. A friend told us my husband should not take his Social Security until he is 66 years old because if he took early retirement now, he would not be able to switch to my benefits later on. Is this true?

A: No, it's not true. Your husband will be able to get some additional "husband's benefits" on your record â€” once you've signed up for retirement benefits yourself â€” no matter when he starts his own Social Security.

So I think he should apply for his Social Security at age 62. Some would argue that he'd be ahead to wait until age 66 because at that age he'll get his full Social Security benefit. Instead of $500 monthly, it might be $700 or so. But as I see it, if he waits until age 66, he's throwing away $24,000 ($500 per month for the 48 months between age 62 and 66). He'd have to live long past age 66 to make up the money he'd lose by not taking early retirement. And you said he isn't in the best of health anyway. So I think he should take his Social Security money now, make the most of it while he can, and then get some additional benefits on your record seven years from now when you turn 62.

By the way, your husband might want to think about applying for Social Security disability benefits. The advantage to a disability check is that it pays the same rate as his age 66 Social Security benefit. He can apply for early retirement and disability at the same time. Social Security will pay his reduced retirement benefits right away, and if his disability claim is approved, switch him to the higher disability rate. If he gets disability checks, he will still be able to switch to husband's benefits on your record later on.

Q: I am 53 years old and I have a nervous condition, a bad back, fibromyalgia and high blood pressure. Despite all those problems, I've worked most of my life. But recently, I had to switch to part-time work. I'm now working about 20 hours per week. Can I get Social Security disability benefits to supplement my work income?

A: I never discourage anyone from applying for Social Security disability benefits. It doesn't hurt to fill out an application and see what happens.

But I don't think you should get your hopes up too high. If you are making anywhere near $1,000 per month, the Social Security Administration probably can't classify you as legally "disabled." The key eligibility factor for Social Security disability benefits is not that you have all those medical problems. The key factor is the

impact those problems have on your ability to work.

In a nutshell, the law says this: To qualify for Social Security disability benefits, you must have an impairment that keeps you from doing "substantial work." And the regulations currently define substantial work as any job that pays you $980 or more per month. So if you are making that kind of money, you simply are not eligible for Social Security disability benefits.

But if your medical impairments ever force you to stop working, or reduce your hours to the point where you are making less than $980 monthly, then you should file for Social Security disability benefits immediately. The application process will take about three months and then it would be roughly another three months after that before your benefits begin.

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