

# What Is Your Social Security Age?

## The average American doesn't know their full Social Security age. Do you?



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A recent survey showed that 71% of Americans don't know what the normal, or full retirement age is for Social Security. And, many people don't realize that they can choose when to begin receiving benefits, or what that choice means to their monthly Social Security checks. With that in mind, here's what all Americans should know about the Social Security age, and what it means to you.

### What's your normal retirement age? It depends...

There is no single normal retirement age for Social Security -- rather, it varies, depending on when you were born. Most Americans (incorrectly) believe it to be 65. For people retiring now (2015), and those born in 1954 or earlier, full retirement age is 66 years old. Two months is added to the normal retirement age for people born every year after, until 1959. For those born in 1960 or later, full retirement age is 67 years old. That may sound a little confusing, so here's an easy-to-read chart.

If you were born in...	Your normal (full) retirement age is
1943-1954	66
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67

Source: Social Security Administration.

### The cost of early benefits and the reward for delaying

Regardless of your normal retirement age, you can choose to collect benefits as early as age 62, or wait until as late as age 70. Your benefit will be reduced if you choose to collect early, and increased if you choose to wait.

For collecting benefits early, the amount is reduced by 6.7% for the first three years before you reach full retirement age, and by 5% for each year beyond that, all the way down to 62. In other words, if your full retirement age is 67, and you choose to collect benefits at age 62, your monthly checks will be 30% less than they would have been (three years at 6.7% and two years at 5%).

On the other hand, your benefit will increase by 8% for every year you choose to delay beyond your normal retirement age. So, if your full retirement age is 67 and you wait until 70, your Social Security checks will be 24% larger. And, the increase (or decrease) in benefits is prorated for partial years. For example, if you file for benefits at age 69.5, you can expect a 20% increase (two and a half years times 8%).

To illustrate this, here's what you can expect your Social Security benefits to be based on your normal retirement age and when you choose to begin collecting.

<b>If you choose to collect benefits at age...</b>	<b>And your full retirement age is 66</b>	<b>And your full retirement age is 67</b>
<b>62</b>	75% of your full benefit amount	70%
<b>63</b>	80%	75%
<b>64</b>	86.7%	80%
<b>65</b>	93.3%	86.7%
<b>66</b>	100%	93.3%
<b>67</b>	108%	100%
<b>68</b>	116%	108%
<b>69</b>	124%	116%
<b>70</b>	132%	124%

If your normal retirement age happens to fall between 66 and 67, the reduction or increase in benefits for collecting early or late will be adjusted accordingly. For example, if your normal retirement age is 66, and you choose to delay benefits until 68, it will have the same effect as if your normal retirement age is 66 years and four months, and you delay until 68 years and four months.

It's also worth mentioning that you aren't necessarily being penalized for collecting early, nor are you rewarded for delaying your benefits. In theory, you'll receive the same amount of money over the course of your retirement regardless of when you choose to collect benefits.

### **The takeaway**

Knowing when you can file for Social Security and how much you can expect depending on when you file is great information to have when planning for retirement. By incorporating your expected Social Security benefits and the age at when you plan to file into your retirement planning, you can formulate a better idea of how much you need to save, and how much risk you can afford to take with your investments.