Nationwide
is on your side

Nationwide Retirement Institute® Social Security benefits

Not knowing these eight things could cost you

There are many misconceptions and gaps of knowledge about Social Security that can prove costly for future retirees. This list will help clarify those misconceptions and fill in those gaps.

Well over half of Americans believe that the Social Security program will run out of money.[1]

About seven in 10 adults ages 25 and older worry that the program will run out of money in their lifetimes. Yet as long as there are workers, money is flowing into the Social Security Trust Fund and will be paid out to beneficiaries.

About half of Americans don't have a clear sense of how much they will get in Social Security income.[1]

The Social Security Administration provides a free and secure "*my* Social Security" online account, which can produce up-to-date statements of your projected benefit.

More than a third of Americans don't know the age at which they'll receive full benefits.[1]

The Social Security Administration refers to full benefits as the primary insurance amount (PIA) and the age at which a worker is eligible to receive full benefits as their full retirement age (FRA). For individuals born in 1960 or later, their FRA is 67.

You could increase your benefit by waiting.

In fact, you could increase it by as much as 77%. The earliest you can file for benefits is age 62 — at a reduced PIA. But if you wait until age 70, you will increase your benefits to be more than your PIA.[2] However, you would not gain anything by delaying benefits past age 70.

Many Americans believe that if they claim benefits early, their benefits will go up when they reach FRA.[1]

That's not true. The amount in effect when you claim benefits, plus any subsequent cost-of-living increases, is the amount you will receive through your lifetime. That's why your filing decision is so important.

You can fix a filing mistake, if you act quickly.

You could withdraw your application within 12 months of first claiming benefits as long as you repay all benefits received. Doing so could increase your benefit amount later.

If your spouse passes away, your Social Security income could drop by as much as half.

However, if both of you were receiving benefits, you can continue receiving the greater benefit of the two.

Social Security benefits rarely provide enough income to live on.

In fact, these benefits represent only about 30% of income for the elderly.[3] For many workers, the question is, "How will I fill the gap between my projected Social Security benefit and the income I will need in retirement?"

Consider this

You should start preparing a Social Security strategy by age 55.

Your situation is unique. Factors that may impact your decision include, but are not limited to, whether you are married, divorced or widowed; your current health; family history of longevity; and other sources of retirement income.

Start planning today.

Discuss with a financial professional how to uncover your optimal Social Security filing strategy.

Nationwide®
is on your side

[1] "The Nationwide Retirement Institute® 2021 Social Security Survey," conducted by The Harris Poll. This online survey was conducted April 19 through May 11, 2021 among 1,931 U.S. adults aged 25 or older.

[2] This calculation is based on an individual with full retirement age of 67; it compares early filing at age 62 and receiving reduced benefits of 71% of the primary insurance amount versus delayed filing at age 70 and receiving credits to increase benefits by 25% of the primary insurance amount.

[3] "Social Security Fact Sheet," Social Security Administration (September 2021). Data as of June 30, 2021.

NFM-21788AO (04/22)