



Boomers born in 1960 are first becoming eligible for Social Security benefits in 2022!

The Baby Boomer era represents a boom in births from 1946 – 1964. For those individuals who are turning 62 in 2022, the day is here when you can officially begin to collect Social Security retirement benefits. Individuals born in 1960 are first becoming eligible for Social Security benefits in 2022 at age 62 and Full Retirement Age (FRA) is fully phased-in at age 67 for those individuals turning 62 in 2022 or later.

Social Security – What you should know

Social Security is an important part of most American's retirement plan as it will provide replacement income throughout an individual's retirement years. To fully understand how Social Security works will help you make the most of your benefit and plan for a comfortable retirement. Currently, Social Security provides replacement income of 20% to 50% at age 65 depending

on an individual's earnings. Lower earners are closer to the 50% mark and higher earners are at the lower end of the range. When you chose to retire (earlier or later) will generally affect these percentages.

Why age matters when it comes to Social Security

Full Retirement Age (FRA), the age at which you can collect your **full** Social Security retirement benefit, has been increasing for many years now. It is important to know that the age at which you decide to retire will affect your benefit, and retiring prior to your full retirement age will result in a reduced benefit to reflect the additional years of receiving payments. Likewise, retiring after your full retirement age will result in an increased benefit to reflect fewer years of receiving payments. The earliest possible age to begin receiving your Social Security retirement benefit is 62. Additionally, there is an increase in benefit up to age 70, but no incentive to delay claiming your benefit after age 70.

The exhibit below summarizes the reduction and increase in benefits based on retirement age:

Year of birth	Full retirement age	Age 62 Reduction	Age 70 Increase
1943-1954	66 years	25.00%	32.00%
1955	66 years and 2 months	25.83%	30.67%
1956	66 years and 4 months	26.67%	29.33%
1957	66 years and 6 months	27.50%	28.00%
1958	66 years and 8 months	28.33%	26.67%
1959	66 years and 10 months	29.17%	25.33%
1960 or later	67 years	30.00%	24.00%

Tools at your fingertips

There are tools available to help you better understand your future benefit. Being proactive now will benefit you in your planning.

- Visit www.socialsecurity.gov/planners to create an online account and assess your **personalized** Social Security benefits. This planning tool will allow you to estimate your own retirement benefits based on your actual earnings history and you can see the effects of different retirement age scenarios. You can also use the general Social Security retirement estimator [here](#), which will provide a general estimate without creating an account.

Keep in mind that these tools provide estimates only, and your actual benefit amount will be determined when you apply for Social Security. These estimates also include annual cost of living adjustments.

- The Department of Labor (DOL) also publishes a [retirement toolkit](#) to help with retirement planning. This in-depth toolkit covers not only Social Security and retirement savings, but also includes Medicare. Plus a number of other great resources.

Whether you're planning to retire now, or years from now, it's important to keep in mind that everyone's situation is different. To better understand how your earnings, retirement age, life expectancy and other factors will impact your own retirement, consider working with a financial advisor or tax consultant.

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