T. Rowe Price

What singles should know before claiming their Social Security benefits

Make Your Plan
May 2024

Key Insights

- Consideration of individual circumstances and life expectancy are crucial for optimizing Social Security benefits.
- In addition to their life expectancy, singles should think about the risk of depleting their savings if they live a long life.
- There are two specific claiming windows within which singles should seldom claim their Social Security benefits.

Even though singles may have fewer factors to consider than couples do, there are still rules and strategies that should be evaluated.

The first issue to deal with is whether you're really single according to Social Security guidelines. If you are divorced or widowed, there may be other benefit profiles more applicable to you.

For Social Security purposes, single means that you were never married (or if you were married, the marriage lasted less than 10 years) and you aren't currently married. Thus, you are not eligible for benefits based on an ex-spouse's earnings record.

Life expectancy is key for singles

While no one likes to think about when death will come, the Social Security claiming strategy that will maximize your real (i.e., inflation adjusted) lifetime benefits depends on your life span. One key lesson is this: If you live to age 80, with a few exceptions, your cumulative lifetime benefits will be about the same whether you begin your benefits at age 62 or age 70, or any age in between. But for other life spans, the claiming age can make a substantial difference in lifetime benefits.

Since singles don't have to consider spousal benefits or survivor benefits, which are based on their spouse's or ex-spouse's earnings record, their life expectancy is the key factor.

Criteria to consider

Some people need to claim Social Security benefits as soon as possible because they have limited income and assets. However, for singles in a position to choose their Social Security claiming age, there are two primary criteria to consider:

1. Which starting age for benefits will maximize your expected cumulative lifetime benefits?
2. Which starting age will minimize the risk that you will run out of savings in your lifetime?

If you expect to live well past age 80, your benefits will be maximized if you delay starting your benefits until age 70. Conversely, if you believe you will die well before age 80, you should take your benefits early so you can get as many payments as possible over a shorter life span.

Many retirees are concerned solely with criterion 1 — maximizing their lifetime benefits. But criterion 2 is important for those concerned about outliving their savings. This is known as "longevity risk."

If you live a long life, you will be at greater risk of running out of savings in your lifetime. By delaying your benefits until age 70, you are guaranteed the highest monthly benefits for the rest of your life. If your savings run low late in your life, you will have made the Social Security claiming decision that provides the most income protection possible.

As a single, you must determine the more important criterion above to use in determining a claiming strategy. Your strategy must consider your expected lifetime and how important these factors are to you.

Two suboptimal choices for claiming benefits

While the Social Security Administration often encourages individuals to file for benefits at their full retirement age (FRA) for retirement benefits, our research shows that it is seldom the best time for a single to file for benefits.

You probably already know that your monthly benefits increase the longer you wait to claim. But benefits between the ages of 62 and 70 do not increase at a consistent rate. The increase in monthly benefits for delaying one more month increases sharply at 36 months before FRA and at FRA. Thus, there are a couple of periods within which a single individual should seldom claim benefits.

To maximize lifetime benefits, it seldom makes sense for a single to claim benefits (1) within 12 months on either side of 36 months before FRA or (2) within eight months on either side of FRA.

For example, if your FRA is 67, you should almost never claim benefits from age 63 and 1 month through 64 and 11 months nor from 66 and 5 months through 67 and 7 months.

There are two exceptions. One would be a single with a short life expectancy, who would lose all benefits due to the earnings test if he or she started benefits before their FRA. (Social Security withholds benefits if you claim before FRA and your earnings exceed a certain level.) These singles should claim benefits at their FRA.

The second exception would be a single individual who planned to delay benefits until later in life but suddenly learned that he has a terminal illness and only has a few years to live. He should start his benefit immediately, even if he is near 36 months before FRA or near his FRA.

Getting married

Getting married should be a happy event, and that's no different where Social Security is concerned. Our definition of a single individual is someone who does not qualify for spousal benefits or survivor benefits based on an ex-spouse's earnings record. Thus, these singles would not lose benefits if they get married.

In fact, there are potential advantages of marriage for Social Security purposes. One year after someone gets married, they will be eligible for spousal benefits based on the higher-earning spouse's record. And generally, if a spouse dies after they have been married for at least nine months, the widow(er) would be eligible for survivor benefits based on the deceased spouse's earnings record. If marriage is a possibility for you, it makes sense to look practically at the impact on your benefits.

Social Security claiming strategies can be complex, with lots of variables and options to consider. You may want to consider working with a professional to evaluate your strategies and have confidence in your decision.

Important Information

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

The views contained herein are those of the authors as of May 2024 and are subject to change without notice; these views may differ from those of other T. Rowe Price associates.

This information is not intended to reflect a current or past recommendation concerning investments, investment strategies, or account types; advice of any kind; or a solicitation of an offer to buy or sell any securities or investment services. The opinions and commentary provided do not take into account the investment objectives or financial situation of any particular investor or class of investor. Please consider your own circumstances before making an investment decision.

Information contained herein is based upon sources we consider to be reliable; we do not, however, guarantee its accuracy.

Past performance is not a reliable indicator of future performance. All investments are subject to market risk, including the possible loss of principal. All charts and tables are shown for illustrative purposes only.

T. Rowe Price Investment Services, Inc.

ID0007069
202405-3593091