How to Maximize Your Social Security Benefits

Provided to you by:

Scott Etzel

CRPC®

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Written by Financial Educators

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price-weighted average of 30 actively traded â' blue chipâ' stocks, primarily industrials, but includes financials and other service-oriented companies. The components, which change from time to time, represent between 15% and 20% of the market value of NYSE stocks. The Russell 2000 measures the performance of small capitalization U.S. stocks. The Russell 2000 is a market-value-weighted index of the 2,000 smallest stocks in the broad-market Russell 3000 Index. Fixed Annuities are long-term insurance contracts, and there is a surrender charge imposed generally during the first 5 to 7 years that you own the annuity contract. Indexed annuities are insurance contracts that, depending on the contract, may offer a guaranteed annual interest rate and some participation growth, if any, of a stock market index. Such contracts have substantial variation in terms, costs of guarantees, and features, and may cap participation or returns in significant ways. Investors are cautioned to carefully review an indexed annuity for its features, costs, risks, and how the variables are calculated. Any guarantees offered are backed by the financial strength of the insurance company. Surrender charges apply if not held to the end of the term. Withdrawals are taxed as ordinary income and, if taken prior to 59 Â½, a 10% federal tax penalty. Neither Asset Allocation nor Diversification guarantees a profit or protects against a loss in a declining market. They are methods used to help manage investment risk. Fixed Annuities are long-term insurance contracts, and there is a surrender charge imposed generally during the first 5 to 7 years that you own the annuity contract. Withdrawals prior to age 59-1/2 may result in a 10% IRS tax penalty, in addition to any ordinary income tax. Any guarantees of the annuity are backed by the financial strength of the underlying insurance company. Risk tolerance is an investor's general ability to withstand the risk inherent in investing. The risk tolerance questionnaire is designed to determine your risk tolerance and is judged based on three factors: time horizon, long-term goals and expectations, and short-term risk attitudes. The adviser uses their own experience and subjective evaluation of your answers to help determine your risk tolerance. There is no guarantee that the risk assessment questionnaire will accurately assess your tolerance to risk. In addition, although the advisor may have directly or indirectly used the results of this questionnaire to determine a suggested asset allocation, there is no guarantee that the asset mix appropriately reflects your ability to withstand investment risk. Neither Asset Allocation nor Diversification guarantee a profit or protect against a loss in a declining market. They are methods used to help manage investment risk Etzel Financial Resources, Inc. does not offer legal or tax advice. Please consult the appropriate professional regarding your individual circumstance. Asset protection plans should be developed and implemented well before problems arise. Due to the fraudulent transfer laws, asset transfers that occur close in proximity to the filing of a lawsuit or bankruptcy can be interpreted by the court as a fraudulent transfer. Proper structuring of these assets is imperative. Please seek proper legal and tax advice prior to engaging in re-titling/structuring of any assets. Please note that laws are subject to change and can have an impact on your asset protection strategy. Pursuant to requirements imposed by the Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of avoiding penalties imposed under the United States Internal Revenue Code or promoting, marketing, or recommending any tax-related matter to another person. Please contact us if you wish to have formal written advice on this matter. Not associated with or endorsed by the Social Security Administration, Medicare or any other government agency. Maximizing your Social Security Benefits assumes foreknowledge of your date of death. If as an example you wait to claim a higher monthly benefit amount but predecease your average life expectancy, it would have been better to claim your benefits at an earlier age with reduced benefits.

How to Maximize Your Social Security Benefits

All of the information in this booklet is based on the data at the government's social security web site www.ssa.gov effective for 2026, unless otherwise stated. But rather than repeat the rules, we show you how to USE the rules in plain English to maximize what you have coming to you. Figures change annually, so consult the government's web site for 2027 and later.[1] We answer five questions for you:

1. Can you do anything to potentially increase your social security check before you retire?
2. At what age is it best to start social security?
3. How can married couples help maximize the joint benefits?
4. What methods are available to reduce or avoid tax on your social security benefits?
5. How can you earn money and still collect social security benefits?

Coming Up on Retirement

You may have a simple question like, "What can I do now to get the biggest check?" The answer is not much but you do have some possibilities if married (explained later). Your social security benefit is based on your 35 highest years of income. So even if you have a couple of "break-the-bank" years of earnings just before you retire, it won't have much impact on your social security check for two reasons:

- (a) Each of the 35 years gets an equal weighting so two years out of 35 (2/35) could only impact what would be for example, a $1,300 monthly check by $74.
- (b) High earning years have a minimal impact because of the 420 months in the calculation (12 months x 35 years.) The first $1,286 you earned in a month counts six times as much as the monthly earnings **over** $7,749.[2] And annual earnings over $184,500 will not help you at all (for 2026, increasing each year thereafter).

- If you are single, the only option to increase the size of your social security benefit is to delay your starting date as explained in the next section. (However, if you are divorced or widowed, you may be able to collect on the earnings record of your deceased or ex-spouse as early as age 60.)

When Should You Start Your Social Security--Age 62, 65, 70?

This is a really straightforward question and if the math were the only factor, here's the straight-forward answer: wait at least until "full retirement age." Following is the table of full retirement ages and the reductions for starting social security payments early.

[1] This booklet will be republished each year with the government's figures that apply.
[2] Social Security web site 12/15/25 https://www.ssa.gov/oact/cola/piaformula.html

Full Retirement and Age 62 Benefit By Year Of Birth

Year of Birth[1]	Full (normal) Retirement Age	Months between age 62 and full retirement age[2]	At Age 62[3] A $1000 retirement benefit would be reduced to	The retirement benefit is reduced by[4]	A $500 spouse's benefit would be reduced to	The spouse's benefit is reduced by[5]
1943-1954	66	48	$750	25.00%	$350	30.00%
1955	66 and 2 months	50	$741	25.83%	$345	30.83%
1956	66 and 4 months	52	$733	26.67%	$341	31.67%
1957	66 and 6 months	54	$725	27.50%	$337	32.50%
1958	66 and 8 months	56	$716	28.33%	$333	33.33%
1959	66 and 10 months	58	$708	29.17%	$329	34.17%
1960 and later	67	60	$700	30.00%	$325	35.00%

1. If you were born on January 1st, you should refer to the previous year.

2. If you were born on the 1st of the month, we figure your benefit (and your full retirement age) as if your birthday was in the previous month. If you were born on January 1st, we figure your benefit (and your full retirement age) as if your birthday was in December of the previous year.

3. You must be at least 62 for the entire month to receive benefits.

4. Percentages are approximate due to rounding.

5. The maximum benefit for the spouse is 50 percent of the benefit the worker would receive at full retirement age. The percent reduction for the spouse should be applied after the automatic 50 percent reduction. Percentages are approximate due to rounding.

So let's take this hypothetical example:

You were born in 1952 and turned age 62 in 2014. Your full retirement age is 66. Assume you are projected to receive $1,500 monthly at that time. However, you could start your benefits at age 62 and receive $1,125 (25% reduction). So do you wait and get $1,500 monthly at age 66 or take $1,125 now at age 62?

Some people argue that if they start benefits at age 62, they will get a smaller monthly amount but they could invest it. Hypothetically, if you could invest the funds at 5% guaranteed and that you view yourself as having average life expectancy, you would still not come out ahead by starting payments at age 62. (This calculation can be done using any financial calculator or spreadsheet with a present value function and the above assumptions.)[3]

Because there is more to life than your life expectancy and discount rate, here are the other factors to consider:

Issue	**This would argue to...**
If you think you can earn more than 6% annually, for sure	Take the money now
If people in your family tend to outlive the average life expectancy	Take the money later
If you need the money to live on now and have no other sources	Take the money now
If you are married and your spouse is also dependent on the payments	Takes a lot more figuring - call us on this one
Your tax bracket will be lower later	Take the money later
Will you have earned income prior to your full retirement age forcing you to forfeit some of your social security benefit?	Take the money later
If you are divorced and your spouse is deceased and you can get benefits based on your ex-spouse's earnings, take it now and let you own benefit grow	Take the money later

Once you start to consider several of these factors at once, you may get a headache. Unfortunately, there is no blanket answer as to when to begin social security payments to maximize the benefit. This is an issue a retirement advisor can calculate for you taking into account your entire financial and personal situation.

How Do I Get the Most for My Spouse?

Let's look at an example. Margaret just turned 62 (before 1/1/16) and her husband is 64. Margaret has not worked for the past 10 years and worked 20 of the last 35 years. If she retires now, she's entitled to a monthly payment of $400 (after the 25 percent reduction for starting benefits retirement at the age of 62). When Margaret's husband retires at the age of 66, in two years, his monthly Social Security benefit will be $1,350. Margaret could claim her social security today and receive her $400 per month, based on her own earnings. Then when her husband retires and begins benefits, she could receive a benefit based on his work record. This will come to $472.50, or 35% of her husband's benefit (see prior table). You may have heard that spouses get 50% of the higher-earning spouses benefit-but that's ONLY if they wait until their own full retirement age to start collecting benefits.

[3] Life expectancies per CDC Vital Statistics https://www.cdc.gov/nchs/data/nvsr/nvsr71/nvsr71-01.pdf visited 12/15/25

Decisions for Spouses

Start my own benefits at age 62	You can take reduced benefits on your wage record before full retirement age. If you do, your benefit will always be reduced--even if you take reduced benefits on your own record and then take spouse's benefits when the higher earning spouse retires. (See previous table showing reduction in spousal benefits).
Start my own benefits at full retirement age	If you are the higher earning spouse, you always will quality for benefits under your own earnings record and then the decision is when to start benefits as discussed in the previous section.
Start benefits at age 62 based on my spouse's social security earnings	You cannot receive spouse's benefits until your spouse files for and receives retirement benefits. If you choose to receive a reduced benefit before full retirement age, you are not entitled to the full spouse's benefit rate upon reaching full retirement age. A reduced benefit rate is payable for as long as you remain entitled to spouse's benefits.
Start benefits at full retirement age based on my spouse's social security earnings	If you stopped working for several years or had low earnings, the spouse's benefit may be higher. At full retirement age, a spouse receives 50 percent of what the higher-earning spouse is entitled to at full retirement age. At death of the higher earning spouse, you receive that deceased spouse's full benefit.

How Do I Reduce/Avoid Income Tax On My Social Security Benefits?

The basic rule is that social security benefits are taxable if your "modified adjusted gross income" (defined as your adjusted gross income from your income tax return plus 50% of social security benefits plus tax-exempt interest plus exclusions per IRS publication 915) exceeds the following limits:

Percent of social security income taxed	**Single, head of household, qualifying widow(er), or married filing separately and you lived apart from your spouse for all of the year**	**Married people**
0%	Less than $25,000	Less than $34,000
Up to 50%	$25,001-$34,000	$34,001 to $44,000
Up to 85%	More than $34,000	More than $44,000

Therefore, if you can engineer your includable income below these limits, you may be able to reduce or eliminate taxes on social security income. This may be possible using annuities. While this is not a recommendation to buy annuities, just because they can help reduce the tax on your social security income, the table below illustrates how this is possible in some circumstances.

Using Fixed Annuities to Reduce Tax on Social Security Benefits			
Hypothetical Illustration--Not Indicative Of Any Specific Product			
	Scenario #1 Interest from CDs	Scenario #2 Interest from Tax-Free Bonds	Scenario #3 Fixed Annuity Interest (Not Distributed)
Interest	$40,000	$40,000	$40,000
Pension	$30,000	$30,000	$30,000
Social Security Income	$40,000	$40,000	$40,000
Social Security subject to Tax	$34,000	$34,000	$11,100
Adjusted Gross Income	$104,000	$64,000	$41,100
Total Federal Tax	**$6,402**	**$1,733**	**$0**

Annuities are long-term investments and are guaranteed by the claims-paying ability of the issuer as are tax-free bonds, while CDs are FDIC-insured. Annuities and tax-free bonds cashed in prior to maturity may result in gains or loss and withdrawals from annuities prior to term may incur surrender charges. Withdrawals from CDs prior to term may incur early withdrawal penalties. Purchases or redemptions of tax-free bonds or annuities may incur commissions or charges. Withdrawals from annuities are taxed as ordinary income and withdrawals prior to age 59½ are subject to a 10% penalty. Tax-free bonds used for certain private use purposes may be subject to alternative minimum tax. This comparison does not include State income tax, which might change the results. Federal tax calculation per 2025 rates using the tax calculator at https://www.guidestone.org/Resources/Education/Calculators/Tax/Tax1040, married filing jointly, both taxpayers over age 65 taking standard deduction.

You can see from the above table that if our hypothetical couple, Mr. and Mrs. Smith, move money from CDs to municipal bonds to fixed annuities, the amount of their social security income subject to tax changes, as does their total federal tax. Their lowest tax situation is with the deferred annuity. If they need to withdraw the interest from the annuity, this solution won't help them, as they come out ahead only if they allow the interest to reinvest.

Earn All You Want and Still Collect your Full Social Security

Because of a prior rule, some people still think there are limits on how much you can earn and still collect all of the social security to which you are entitled. That is still true for people who opt to take social security before full retirement age (see above table for full retirement age based on your birth year). However, those working after full retirement age can have unlimited amounts of earned income and still collect their full social security benefit. Here's the rule and then let's look at an example.

Rule: If you are under full retirement age when you start getting your Social Security payments, $1 in benefits will be deducted for each $2 you earn above $24,480 (for 2026)[4]. In the calendar year you attain full retirement age, $1 in benefits will be deducted for each $3 you earn above $65,160 (for 2026) up to the month of full retirement age attainment.

[4] Social Security Administration https://www.ssa.gov/oact/cola/rtea.html visited 12/15/25

Hypothetical example:

Mrs. Smith, born January 1, 1961, turned age 62 in 2023 and decides to retire from employment and start her reduced social security benefits at the rate of $12,000 annually ($1,000 per month). She also decides to start a business. By March 2025, when she is 64, her business is earning a net profit of $34,000 annually. She will need to give up $4,760 ($34,000-$24,480/2) of her annual Social Security for this reason: During those months before you reach full retirement age (age 67 for someone born in 1961 like Mrs. Smith), your social security benefits are reduced $1 for each $2 you earn over $24,480.

Mrs. Smith keeps working at her business and by 2028, the year she reaches full retirement age, her business is earning $75,000 annually ($6250 monthly). For January through September of 2028 (using 2026 rates), she must give up $273 monthly of Social Security ($1 for every $3 her business earns over $65,160 ($5,430 monthly) in the year she reaches full retirement age. Once October 2028 arrives and she becomes 67 (her full retirement age), she can earn unlimited amounts from her business and will never give up any social security income.

For the test above, earnings include bonuses, commissions and vacation pay, but don't include pensions, annuities, investment income, interest, veterans or other government or military retirement benefits.

About
Scott Etzel

Scott T. Etzel, CRPC®, is an Investment Advisor Representative and founder of Etzel Financial Resources. He earned a Bachelor's degree in Business Administration from Grand View University and obtained the Chartered Retirement Planning Counselor® designation through the College for Financial Planning. Scott also holds Series 7 (General Securities Representative) and Series 66 (Uniform Investment Advisor - Combined State Laws) securities registrations along with state insurance licenses, allowing him to provide a broad range of investment, retirement, and insurance solutions to his clients.

Scott specializes in helping high-net-worth individuals, professionals, and closely held business owners navigate the complexities of wealth management. His advisory process integrates investment consulting, advanced financial planning, and ongoing relationship management to help clients pursue their financial objectives with clarity and confidence. By focusing on tax efficiency, disciplined portfolio design, and long-term planning strategies, Scott works to help clients grow, protect, and transfer their wealth effectively.

Through a collaborative approach that often includes coordination with attorneys, accountants, and other trusted professionals, Scott delivers integrated solutions tailored to each client's unique circumstances. His goal is to simplify complex financial decisions and help clients build a sustainable financial future while protecting the financial security of their families and the legacy they intend to leave behind.

I have years of specialized training in areas such as: Business owner and continuation planning - Asset growth & tax-efficient investment strategies - High-net-worth estate planning - Wealth transfer Strategies - Social Security optimization - Long-term care planning - Retirement income strategies - Employer 401(k) plan rollovers - College savings planning - --You can study and read more about Scott Etzel at www.EtzelFinancialResources.com

About
Etzel Financial Resources, Inc. / www.EtzelFinancialResources.com

Etzel Financial Resources is an independent wealth management firm dedicated to helping individuals, families, and business owners make confident financial decisions through comprehensive planning and disciplined investment management. The firm's process integrates investment consulting, advanced financial planning, and ongoing relationship management to address the full scope of a client's financial life, including portfolio management, tax-efficient strategies, retirement income planning, estate and wealth transfer considerations, and risk management. Etzel Financial Resources works closely with clients' accountants, attorneys, and other professional advisors to coordinate strategies and deliver integrated solutions tailored to each client's goals. By combining sophisticated planning techniques with personalized service, the firm focuses on helping clients build, protect, and transition wealth while maintaining clarity and confidence about their financial future.

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