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## HOW TO PLAN FOR SOCIAL SECURITY IN 2026's CHANGING LANDSCAPE, FROM A FINANCIAL PROFESSIONAL

Not understanding how the upcoming changes in 2026 might affect you could put your financial security in retirement at risk. This is what you need to know.



By: Michael Knox - January 5, 2026

Whether it's being aware of your full retirement age, understanding spousal or survivorship benefits or just being aware of the annual cost-of-living adjustment (COLA), Social Security is complex. The social insurance program is also facing a few changes in 2026.

Starting in January, about 71 million beneficiaries will see a 2.8% COLA increase on benefits. This is expected to increase monthly benefits by an average of \$56.

For the nearly 7.5 million Americans receiving Supplemental Security Income, increased payments will begin on December 31.

The announcement came later this year than usual due to the recent government shutdown, which marked the longest in our nation's history, lasting 43 days.

During that time, many recipients, especially retirees, wondered how future Social Security payments would impact their budgets.

While these annual adjustments are supposed to help offset inflation, they're not guaranteed and, therefore, should not be factored into your monthly income when mapping out your budget.

If, by chance, the COLA increases, you'll have a little extra money coming in. However, if there's no COLA, you won't be cut short.

### Changes to full retirement age

Another major change coming in 2026 affects the full retirement age for claiming benefits.

While you're eligible to start claiming benefits at 62, you won't receive your full benefit amount until you reach your full retirement age, which is calculated based on the year you were born.

For example, the full retirement age for someone born in 1959 is 66 years and 10 months. Starting in November 2026, the full retirement age for those born in 1960 or later is 67.

Understanding your full retirement age is key when strategizing how to claim benefits. As mentioned earlier, you can start drawing Social Security at 62, but you'll receive a reduced amount for the rest of your life — up to 30%, according to the Social Security Administration.

However, you'll receive 100% of your benefits if you wait until your full retirement age to claim. If you wait until 70, you can earn delayed retirement credits, which can increase benefits by 8% per year. Benefits will stop increasing after you reach age 70.

Knowing your full retirement age is also crucial should you plan to continue working while claiming benefits. In 2026, beneficiaries can earn up to \$24,480 before getting penalized. That's up from \$23,400 in 2025.

### What's the best age to claim benefits?

So, how can you determine when the best age is to file?

This is the million-dollar question every retiree wants answered, but deciding when to claim is entirely dependent on your individual plan.

When I'm working through this issue with my clients, I ask them an array of questions, ranging from their personal health conditions, cur-

rent and past, average life expectancies among family members and whether there are major health concerns with any immediate family members.

I also ask them to envision how they want to spend their retirement.

Based on those answers, my team and I create a plan best suited to their needs. The key to knowing when the right time is to plan.

### Change to the income threshold

The SSA is also changing its maximum taxable income threshold from \$176,100 in 2025 to \$184,500 in 2026.

Also, the amount now needed to earn one Social Security credit is \$1,890, up \$80 from last year's \$1,810.

Medicare Part B premiums are also projected to rise, which can impact the net amount Social Security beneficiaries receive.

With constant annual changes and more than 10,000 various claiming strategies, navigating Social Security can become complicated and overwhelming.

However, understanding how it factors into your retirement plan is crucial to ensuring you'll be able to afford retirement when the time comes.

Understanding how Social Security fits into your overall retirement plan is critical. Don't think of it as a safety net, but as a source of income. By asking the right questions and making decisions based on your individual circumstances, you'll be well-positioned to make the best claiming decision when the time comes.

Michael has been serving the financial industry for over 25 years. He founded 5280 Retirement Group, previously known as Knox Wealth, with a mission to provide optimal financial solutions to his clients for both their current needs and future goals. He values the importance of long-lasting client relationships and creating sound financial strategies and takes pleasure in helping provide financial security for his clients and future generations.

To contact Michael, call 720-599-7277 or visit [www.5280rg.com](http://www.5280rg.com).

