

From the Desks of Teders & Quackenbush

-Don't Fumble on the Way

Ever notice what happens to a football team that has possession...at a pressure-filled point in the game...they're ready to snap the ball...but the QB pauses and shouts to his right...then to his left... players move and adjust their positions...a few appear confused...precious time on the play clock is expiring...will they get the play off?...will it be right call?...will they be penalized?...or should they take a time out to reassess and regroup?

Hurried decision-making can lead to poor decision-making and regrettable outcomes on the field. The same holds true on the metaphorical grid iron of retirement planning. Let's take Social Security for example.

Claiming your Social Security benefits is like putting points on the scoreboard. Will a long field get you enough points to win, or should you be patient – try to move the ball further down the field for an easier attempt, or strive to reach the end zone and score even more points?

Retire early, get less; retire later, get more.

In 2000, Congress raised the full retirement age (the age at which you can receive your full Social Security retirement benefits) to help offset the financial costs of increasing life expectancies among Americans.

For those born in 1937 and earlier, full retirement remains at age 65. However, for those born after 1937, the full retirement age increases incrementally until those born in 1960 and after will have to wait until age 67 to receive full benefits.

Despite this, anyone who has paid into the system for at least 10 years can start receiving benefits as early as the first full month after reaching age 62. However, accessing benefits at 62 will permanently decrease the amount you may receive each month by 20 to 30 percent. Conversely, if you delay taking benefits past your full retirement age, your monthly benefits will increase until you turn 70 and reach the maximum benefit amount.

The decision to receive Social Security benefits before full retirement age depends on each individual's unique situation and circumstances. The month in which you choose to begin benefits may make a difference; eligibility for spousal benefits; and whether you will continue working as just a few of the many factors that should be considered.

Please remember, however, you don't have to call the play on your own. If you're wondering how the decision factors into your own investment plan. We are happy to answer your questions, and model how a decision to take or defer your Social Security benefits may impact your investment plan. Retirement is one of life's great transitions and we'll be at your side to help you cross the goal line.

To learn more about your Social Security benefits, visit the Social Security website at www.ssa.gov.

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