

What's Happening to Social Security's Full Retirement Age?

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What is the full retirement age for Social Security? The short answer -- it depends. The retirement age for those reaching it now is 66 years old, but this is going to start increasing toward 67 soon. And there's a possibility it could be increased even further for future generations.

Social Security retirement age

As I mentioned, the current Social Security retirement age is 66. This is the case for

Americans born in

1954 or earlier, but after that birth year, the full retirement age will gradually increase to 67. Here's a table to help you determine your own full Social Security retirement age.



If You Were Born in ...	Your Full Retirement Age Is ...
1954 or earlier	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months

If You Were Born in ... Your Full Retirement Age Is ...

1960

67 years

What the full retirement age means to you

It's important to realize that the full retirement age is just the age at which you would get your full benefit as calculated by the [Social Security formula](#). Regardless of your full retirement age in the chart, you still have the option to file for Social Security as early as age 62 or as late as age 70.

- If you file early, your benefits will be reduced by 6 2/3% per year before your full retirement age, or five-ninths of 1% per month, up to three years early.
- Beyond three years early, the reduction rate is 5% per year, or five-twelfths of 1% per month early.
- If you wait until after your full retirement age, your benefit will be increased by 8% per year, or two-thirds of 1% per month.

The [majority of Americans](#) *don't* start benefits exactly at their full retirement age, and I suspect that this will be even more true in the coming years. Really, how many people born in 1959 are going to file at exactly 66 years and 10 months of age?

My point is that the biggest effect of the full retirement age's increase will be the reduction of benefits for those who claim early. Let's say that both spouses of a married couple intend to claim benefits at age 62, as early as possible. One spouse was born in 1956, so his full retirement age is 66 years and four months. The other spouse was born in 1960, so her full retirement age is 67.

By claiming at age 62, the first spouse would be claiming four years and four months before full retirement age, and his benefits would be reduced by 26 2/3%. The second spouse, even though she's claiming benefits at the same age, would be doing so five full years before full retirement age and would therefore get hit with a 30% reduction.

Will the retirement age go up to 68, or even 70?

Finally, it's important to point out that the full retirement age of 67 for those born in 1960 or later is by no means set in stone. As I've written before, Social Security is unsustainable in its current form, and there are two main ways to fix it -- tax increases or benefit reductions. One form of cutting benefits would be raising the retirement age even further.

However, I don't think an increase in the retirement age is likely, for two reasons. First, doing so would be less effective at closing the funding gap than other changes. In fact, an analysis found that gradually increasing the full retirement age to 68 would solve only 16% of the funding problem, and an increase to 70 would solve only 25%. On the other hand, a tax increase of one percentage point would make up for 52% of the funding gap.

The other reason I think it's unlikely to happen is that it's not a particularly popular solution among any age group, income group, or political party. Even a small increase in the full retirement age to 68 is something 65% of the population opposes. Meanwhile 83% of Americans -- even a majority of Republicans -- support the 1% tax increase. So I just don't see an increase in the retirement age getting any serious political traction.

The bottom line is that the retirement age is about to gradually increase from 66 to 67 and stay there, at least for the time being. While it's possible that the retirement age could change again, it's unlikely to happen anytime soon.

The \$15,834 Social Security bonus most retirees completely overlook

If you're like most Americans, you're a few years (or more) behind on your retirement savings. But a handful of little-

known "Social Security secrets" could help ensure a boost in your retirement income. For example: one easy trick could pay you as much as \$15,834 more... each year! Once you learn how to maximize your Social Security benefits, we think you could retire confidently with the peace of mind we're all after. [Simply click here to discover how to learn more about these strategies.](#)

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