FREE GUIDE · NO COST, NO OBLIGATION

5 Social Security mistakes that cost retirees the most.

Four of these are decisions you only get to make once. The fifth is money thousands of Californians are already entitled to and never claim.

2032

The year Social Security's retirement trust fund is projected to run dry. After that, payroll taxes cover about **78%** of scheduled benefits unless Congress acts. **That makes the decisions in this guide worth more, not less.**

My Legacy Management

Sean Vargas · Independent agent · CA Lic. #0M17715

Oceanside, California · Serving San Diego, Orange & Riverside Counties

(760) 642-1892 · mylegacymanagement.com

Read it online

1 Claiming at 62 because you can.

Sixty-two is the earliest age, not the default age. If you were born in 1960 or later, your full retirement age is **67**. Claiming at 62 cuts your check by **30%**, and that cut is permanent. It does not go back up at 67.

Waiting past 67 works the other way: your benefit grows about 8% a year until 70. Wait all the way and you collect roughly **24% more**, every month, for life, with cost-of-living raises applied on top of the bigger number.

THE SAME WORKER, THREE DIFFERENT CHOICES

CLAIM AT	YOU GET	WHAT THAT MEANS
62	**70%**	$700 for every $1,000 you'd have had at 67
67	**100%**	your full benefit
70	**124%**	$1,240 for every $1,000

To be fair: claiming early is the right call for plenty of people: poor health, no other income, a job that ended. The mistake isn't claiming at 62. It's claiming at 62 without ever seeing this table.

2 Forgetting that one of you dies first.

This is the expensive one, and almost nobody is told about it.

When one spouse dies, the survivor does **not** keep both checks. They keep the larger of the two. So whatever the higher earner locked in becomes the survivor's income, possibly for twenty years or more.

What that looks like in dollars

Say the higher earner would get $2,400 at 67 but claims at 62 instead. Their check becomes about **$1,680**. They pass away at 74. The surviving spouse now lives on **$1,680 a month**, not $2,400, for the rest of their life.

Over twenty years that difference is roughly $173,000, before counting the cost-of-living raises that would have compounded on the bigger number.

The move: in most married couples the *higher* earner should think hardest about waiting, and the lower earner can often claim earlier without doing damage. It's one conversation, and it's worth having before either of you files.

3 Collecting early while you're still working.

If you claim before your full retirement age and keep earning a paycheck, Social Security holds back part of your benefit.

IN 2026, IF YOU ARE...	YOU CAN EARN	THEN THEY HOLD BACK
Under full retirement age all year	**$24,480**	$1 for every $2 over
Reaching full retirement age this year	**$65,160**	$1 for every $3 over
At full retirement age or older	no limit	nothing

Here's the part nobody explains: that money isn't gone forever. When you hit full retirement age they recalculate and raise your monthly check to give it back over time. It's a delay, not a penalty. **But it's still a cash-flow problem in the years you didn't plan for it**. People quit jobs over this because they thought they'd lost the money for good.

4 Assuming Social Security isn't taxed.

Up to **85%** of your benefit can be taxable income, depending on what else you bring in. The thresholds that decide it are these:

FILING	SOME BENEFITS TAXABLE ABOVE	UP TO 85% TAXABLE ABOVE
Single	**$25,000**	**$34,000**
Married filing jointly	**$32,000**	**$44,000**

Based on "provisional income": your adjusted gross income, plus tax-free interest, plus half your Social Security.

Why this catches people: those numbers were set in 1984 and **have never been adjusted for inflation.** Not once. A benefit that wasn't taxed for your parents gets taxed for you, at the same dollar threshold, forty years later. Which bucket you pull retirement income from, and in what order, changes this number. That part is controllable.

California does not tax Social Security benefits. This is the federal side.

5 Paying your Medicare premium when the state would pay it for you.

Medicare Part B costs **$202.90 a month** in 2026, and for most people it comes straight out of the Social Security check before it ever arrives.

California has Medicare Savings Programs, including one called **QMB**, that pay that premium for you, and often the deductibles and copays too. Hundreds of thousands of people who qualify have never applied, usually because nobody told them it existed.

IF YOU QUALIFY, THIS IS WHAT IT'S WORTH

$2,434

a year, back in your check, just from the Part B premium being covered. Before counting deductibles and copays.

ROUGHLY WHO QUALIFIES IN 2026

One person	**about $1,330/mo**
A couple	**about $1,804/mo**

Income limits, and savings can count too. There are related programs with higher limits if you're just over. **Don't rule yourself out on this page.** The rules changed in January 2026 and they're genuinely confusing. Ask.

What to do with this.

Pull your Social Security statement at **ssa.gov/myaccount**. It's free and it takes about ten minutes. It shows your actual number at 62, at 67, and at 70. Most people have never looked at it.

Then, if you want, bring it to me. I'll sit down with you for an hour and we'll go through these five in order against your real numbers. **No charge, and I don't need you to buy anything for it to be worth your time.** If you're already doing it right, I'll tell you that and you'll have lost an hour and gained certainty.

SCAN TO BOOK

Sean Vargas

INDEPENDENT AGENT · CA LIC. #0M17715

(760) 642-1892 · info@mylegacymanagement.com

3186 Vista Way, Suite 312 · Oceanside, CA 92056 · mylegacymanagement.com · Se habla español.

Sources: 2026 OASDI Trustees Report (SSA) · SSA 2026 fact sheet for the cost-of-living adjustment, earnings test and full retirement age · CMS 2026 Part B premium and deductible · California DHCS and California Health Advocates, 2026 Medicare Savings Program limits · IRS Publication 915. **Figures are for 2026 and change annually.** Eligibility rules are simplified here. Your situation decides the answer, not this page. Nothing in this guide is tax or legal advice. My Legacy Management is not connected with or endorsed by the U.S. government, the Social Security Administration, or the federal Medicare program.