

Delaying social security could increase income

By Tim Marema and Roberto Gallardo
The Daily Yonder
Edited by Amanda Miller
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Cheyenne County residents who are nearing retirement age can increase their lifetime income if they can wait a bit longer to start drawing Social Security benefits.

In Cheyenne County 428 residents - or 16 percent of the population - are aged 55 to 64. Those are the years when folks start thinking seriously about retirement.

Workers can start taking Social Security at age 62. But for those who can wait, the benefits go up.

"If you need Social Security early, take it - you've earned it," said Virginia Reno with the National Academy of Social Insurance, a nonprofit organization based in Washington, D.C. "But waiting even a year or two can make a big difference in the long run. The extra benefits are there for life."

Payments increase by 5 to 7 percent for each year of delay between ages 62 and 66, and by 8 percent for each year of delay between ages 66 and 70. The increases stop at age 70.

For someone who can wait until age 70 to take Social Security, the reward is a lifetime monthly benefit that is 76 percent higher than if taken at age 62.

For example, a worker who qualifies for a Social Security benefit of \$750 at age 62 would receive \$1,000 by waiting until full retirement age (66 for people born in 1943 to 1954). By waiting until age 70, the retiree would receive \$1,320 a month.

The higher benefit would also be the basis for future inflation adjustments.

Around Kansas, only about one in four residents who are currently receiving Social Security retirement benefits waited until full retirement age to start their payments, according to the Social Security Administration.

In Cheyenne County, 585 residents received retirement benefits from the federal system, according to 2012 figures.

The average recipient of Social Security retirement benefits in Cheyenne County received \$1,118 a month in December of that year. On an annual basis,

that brought \$7,848,000 in income to the area - 7.4 percent of all personal income in the county, according to the Bureau of Economic Analysis.

Getting the most out of Social Security benefits becomes more important the longer retirees live, said Leticia Miranda, a policy adviser with the National Council of La Raza, a nonprofit that focuses on Hispanic issues, including retirement.

"You may be here longer than you think," Miranda said.

About half of seniors aged 65 to 69 get most of their income from Social Security. Many have other assets or work part time. But for three out of four seniors in their 80s, Social Security is the main source of income.

Nationally, a woman who is 65 years old today can expect to live until she is 86. For men, it's 84 years.

Another consideration is how the timing of benefits will affect a spouse's income, Reno said.

"If you are the higher earner in a couple, delaying benefits not only means a higher benefit for you for the rest of your life," she said. "It also means a higher benefit for your spouse if she or he outlives you in old age."

In more than half of couples who are 65 today, one spouse will live beyond 90, she said.

But residents of nonmetropolitan areas like Cheyenne County may have a harder time delaying their retirement.

"In rural areas there is often a challenge as folks move toward retirement," said Deanna Sharpe, a personal finance professor at the University of Missouri. "They are more likely to face unemployment. Jobs are not as available. And when they are, they tend to pay less."

Economic downturns can also affect when people decide to start receiving Social Security, Sharpe said.

"One of the coping mechanisms during the recent recession was to pick up Social Security at age 62, even if they might not have planned to do that before the recession," she said.

Retirees need to make informed decisions, Sharpe said, but too often that doesn't happen.

"We find in surveys of financial

literacy that quite a large portion of folks don't understand the basics," she said. "That's a concern."

But retirees can easily find free or low-cost advice. Sharpe said many USDA Extension Service offices can provide information on retirement planning. She also recommended nonprofit organizations such as the National Endowment for Financial Counseling and Financial Education (www.nefe.org).

The Social Security Administration website (ssa.gov) has a calculator that allows workers to estimate their retirement earnings based on their own work records and estimated retirement age.

And the National Academy of Social Insurance has materials online about the impact of delaying Social Security benefits (www.nasi.org/WhenToTakeSocialSecurity).

With national discussions about Social Security frequently in the news, some workers may worry whether the system will be there when they need it. Sharpe said people should stay abreast of the issues. "That's part of making an informed decision," she said.

But Reno said that should not influence a personal decision about when to draw benefits.

"Social Security will be there if you wait," she said. The system is fully financed for about the next two decades and is three-quarters financed thereafter, she said.

"Despite what you may hear, lawmakers have some good options to fix the system for the long haul," she said.

Tim Marema is editor of the Daily Yonder (www.dailyyonder.com), a national website that covers news about small cities and rural America.

Roberto Gallardo is an associate professor at the Mississippi State University Extension Service.

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CITY CREWS replace lights on Washington street with energy efficient LED lights
Herald photo by Tim Burr

Idalia News

Community News

This is my last edition of the Idalia news. It has been a privilege to share the news for such an active community. Su and I have enjoyed the last eight years living in the Idalia community and learning a lot about life in northeast Colorado. We very much value the friendships we have made here. Idalia is a community with a lot of energy and commitment to its future and we look forward to maintaining our friendships even as we begin a new "edition" of our lives in Denver. Thank you all so much! -Pastor Chuck Wright

Diana Pfeiler of Idalia will begin writing the Idalia news with the July 10 edition of the news. She may be contacted at: diana_pfeiler@yahoo.com. Deadlines for the news will remain the Friday before next edition.

Thursday, July 3. The annual Idalia barbecue and fireworks display will be held at the Homestead building beginning at 7 p.m. Hosted by the Idalia Fire Department and the Idalia Lions Club, the free-will donation barbecue will begin at 7 p.m. Please bring a salad or dessert to share. Donations will go to the work of the Idalia Fire Department. Weather conditions permitting, the fireworks will begin at 9 p.m.

Idalia Starlighters 4H News

The Idalia Starlighters 4-H Club met on June 8th, 2014. We will be decorating our posters at the July meeting and posting them around town so please bring 3-4 pictures of you doing your projects. Our food booth work day at the fair is August 5th @ 2 p.m. Kye Towns did a demonstration on different types of small engines, Dax Towns did a demonstration on how far a .22 bullet can travel and still be lethal, and Jenna Wieser gave us tips on how to frost and decorate a cake and that was our refreshment. The next meeting will be held July 18th @ Homestead @ 11:00 a.m. Raquel Laurence and Cade and Aubrey Richards will all be doing demonstrations. For this meeting remember poster materials, sack lunch, and swimming attire. Refreshments will be provided at the swimming pool.

Submitted by: Kye Towns, Reporter

St. John News

St. John Church has called Pam Coulter to lead Sunday morning worship services and provide pastoral care throughout July and August. Pam is a resident of Wray, an authorized lay speaker in the United Methodist church, and has led worship at St. John many times. The members of St. John look forward to her presence as they continue the search process for a settled pastor.

By Chuck Wright



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We Go That Extra Mile

New correspondant takes over in Idalia

Amanda Miller
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Idalia has a new correspondent that will be reporting the news. Diana Pfeiler will be taking the place of Pastor Chuck Wright beginning this week.

Diana is originally from Delta, Colo., but has lived in Idalia for the past 37 years.

Diana received her degree in agribusiness from Northeastern Junior College. It was at college that she met her husband. After she and James Pfeiler were married, she moved to the Idalia area.

Along with writing for the Idalia section in The Herald, Diane is also a school bus driver

and a substitute teacher at the school.

The Pfeilers have two children: Amanda and her husband Mike Fimon of Agate, Colo., and Justin and his wife Melissa of Idalia. They have four grandchildren and two more on the way that Diana enjoys during her free time.

After filling in for Pastor Chuck in the past, he asked Diana to take over the Idalia section once he stopped writing it. She said she was happy to do so!

Look for Diana Pfeiler's writing in the Idalia section of The St. Francis Herald in the coming weeks.