

# Yes, You Can Rethink Your Retirement Decisions

by Charles Rotblut

When it comes to big decisions, it's not unusual for someone to change their mind afterward. Sometimes, they realize the first decision was a mistake. Other times, they realize that option B would have been the better choice.

Determining when to file for Social Security benefits is a big decision. File early and you'll leave money on the table for you and/or your spouse if you and/or they live past the break-even age. The break-even age is the age when cumulative lifetime benefits from claiming early or claiming later equal each other.

Fortunately, there are windows to either undo your Social Security claiming decision or at least make a course correction. They are:

- **Withdraw your application for Social Security benefits**—must be done within 12 months of first filing for benefits.
- **Suspend benefits**—can be done up to age 70.
- **File for retroactive benefits**—must be done after you reach full retirement age (FRA), excludes benefits payable prior to the full retirement age and only includes up to six months of past benefits.

Longtime contributor William Reichenstein, Ph.D., CFA, goes over each of the three options. He presents examples for both singles and couples. One key thing to remember as you read through them is survivor benefits. If the spouse with the higher benefits dies first, the surviving spouse receives benefits based on the deceased spouse's earnings record.

## Other Retirement-Related Decisions That Can Be Changed

Determining when to file for Social Security is just one of several big decisions to make once you reach age 70. Some of you have already navigated this path, while others are either currently navigating it or have yet to approach it. Along the way, there are chances to correct mistakes.

- **IRA Withdrawals:** When a withdrawal is made, you have 60 days to put the dollars back. Fail to do so and the withdrawal will be taxed. You could, however, make a new contribution if you have earned income. There are no age limits on making contributions.
- **Medicare:** You must sign up for Medicare Parts B and D no later than three months after you turn 65 with some exceptions (e.g., having employer-provided health insurance). Failure to sign up by the deadline will result in a lifelong penalty surcharge. You can change your choice of Medicare plan after you sign up. The one thing to keep in mind is Medigap. If you opt for Medicare Advantage instead of traditional Medicare (Part B) when you first file, you can be turned down for Medigap policies in the future due to preexisting conditions.
- **Retirement Lifestyle:** Where you live and what you choose to do once in retirement are decisions best made prior to retiring. For those not yet retired, we suggest giving your plans a test drive before committing

to them. Once in retirement, you can make a change, though some decisions (e.g., changing your activities) may be easier than others (e.g., moving because you don't like your locale).

## Analyzing Cryptocurrency Mutual Funds and ETFs

The U.S. Securities and Exchange Commission (SEC) approved applications for spot ethereum exchange-traded funds (ETFs) in May. These ETFs would hold the actual cryptocurrency. We could see such ETFs potentially launched later this summer.

Spot bitcoin ETFs, which invest in actual bitcoin, launched earlier this year. There are also several other digital-asset funds providing varying types of cryptocurrency exposure.

Cynthia McLaughlin contrasts them in her article. Because most were launched within the last few years and lack even three-year return histories, it is the first time we've made digital-asset funds the focus of an *AAll Journal* article.

Big and volatile returns are, unsurprisingly, a shared characteristic. Many of these funds also have high expense ratios. The variance in how each fund provides exposure to digital assets may be surprising to those looking at them for the first time.

Just keep in mind that these are speculative investments. Treat them as such.

Wishing you prosperity and good health,

