

Social Security Spousal Retirement Benefits

Deciding when to begin receiving Social Security is one of several important decisions you need to make when planning your retirement. If you are married, coordinating when each spouse will file for and receive Social Security retirement benefits is also an important consideration.



Spousal retirement benefits can be confusing and some filing strategies that used to be available for everyone are only available now to those who meet certain conditions. When you can (and can't) file for spousal benefits, how much your spousal benefit will be, and who can (and cannot) file a restricted application for spousal benefits which allows you to later switch from the spousal benefit to your own, are all concepts you should understand before you make a decision to file for Social Security benefits.

Spousal Retirement Benefits

Spousal retirement benefits are monthly benefits that a working or non-working spouse may claim based on the earnings record of a current or former (divorced) spouse. Generally, to claim a spousal retirement benefit, both husband and wife must be at least age 62, have been married for at least one year, and the spouse whose earnings record is being

used must also be receiving his or her own Social Security retirement benefits. Some exceptions and special rules apply for spouse's who previously elected to "file and suspend", which will be discussed later.

If you file for spousal retirement benefits on or after your FRA, the maximum amount you can receive is 50% of your spouse's PIA or your own retirement benefit amount (if you also qualify for Social Security and it is larger than the spousal benefit). Unlike your own retirement benefits, spousal retirement benefits do not earn delayed retirement credits, so there is no advantage to claiming them after your FRA. If you file before your FRA, you can no longer receive half of your spouse's PIA because your benefit amount will be permanently reduced due to electing to take Social Security early. The earnings limit applies if you are still working which can further reduce or

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eliminate your benefits. Also, if you are entitled to both your own retirement benefit amount and a spousal benefit amount, you are not generally permitted to switch between the two unless you apply for your own benefits before your spouse files for Social Security or you are eligible to file a restricted application for spousal benefits.

Restricted Application for Spousal Benefits

If you meet certain conditions, you are permitted to file a restricted application for spousal benefits. With a restricted application, you are instructing the Social Security Administration to process your application only for spousal benefits and to ignore the retirement benefit amount that you are entitled to receive on your own work history. Doing a restricted application gives you the ability to later switch to your own retirement benefits if they are higher than what you are receiving from your spouse's PIA.

The three conditions that must be met to file a restricted application are:

- 1) You must be born on or before January 1, 1954;
- 2) You must be at least FRA; and
- 3) Your spouse must also be receiving Social Security retirement benefits at the time the restricted application is filed – unless he or she previously (before April 30, 2016) filed and suspended his or her own retirement benefits.

Unfortunately, the Social Security Administration doesn't make filing a restricted application easy. There is no restricted application box to check. Instead, you must add "appropriate remarks, in writing, on the application". Instructing them to restrict your application to spousal benefits in the remarks is the only way to keep from filing for all available Social Security benefits at the time of your application. Also, if you later decide to switch from a spousal retirement benefit to your own, you must file again for benefits – the switch is not automatic. Other important spousal retirement benefit considerations:

- Beginning April 30, 2016, if your spouse voluntarily elects to suspend his or her own Social Security benefits, then all other benefits – including spousal benefits connected to it – will also be suspended.
- Individuals who were born on January 2, 1954 or later cannot use a restricted application. Instead, you will be "deemed" to be filing for all available benefits at the time of your application and if you are dually entitled, Social Security will pay you the higher of your own retirement benefit or the spousal retirement benefit amount. These "deemed" filing rules eliminate your ability to switch between your own retirement benefits and spousal retirement benefits.
- Spousal Social Security benefits are available to both a current spouse and a former spouse, but special rules apply to divorced spouses.

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Benjamin F. Edwards can help you navigate through the sometimes complex and confusing Social Security rules. If you would like additional information about Social Security or need assistance analyzing the

claiming strategies you are entitled to, contact your financial advisor. ■

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