

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. When you can (and can't) file for spousal benefits and how much your spousal benefit will be are both concepts you should understand before you make a decision to file for Social Security benefits.

When Can You File for Spousal Retirement Benefits?

Spousal retirement benefits are monthly benefits that a working or non-working spouse may claim based on the earnings of a current or former (divorced) spouse. Generally, to claim a spousal retirement benefit when you are currently married, both spouses 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.

Are Spousal Retirement Benefits Available If You are Divorced?

A special rule applies for spousal benefits if you are divorced. First, you must be unmarried when you file for spousal retirement benefits using the earnings of an ex-spouse. Also, the marriage must have lasted at

least ten years. In the case of divorced spousal benefits, your ex-spouse does not have to be collecting for you to receive benefits if you have been divorced at least two years. If your ex-spouse remarries, it will have no impact on your, or their current spouse's ability to collect Social Security.

How Much Are Spousal Retirement Benefits?

When you collect dependent Social Security benefits – benefits based on someone else's earnings and not your own – the amount you can receive will be limited to a percentage of the "worker's" primary insurance amount or PIA. PIA is the unreduced benefit you receive when you collect Social Security at your full retirement age (FRA).

If you file for spousal retirement benefits on or after your own FRA, the maximum amount you can receive is 50% of your spouse's PIA. If you also qualify for Social Security on your own, you will be eligible to receive the higher of the two amounts. However, unlike your own retirement benefits, spousal retirement benefits do not earn delayed retirement

Retirement Planning

credits, so there is no advantage to claiming them after your FRA.

If you file for spousal retirement income benefits before your FRA, you will no longer be eligible to receive half of your spouse's PIA because you are electing to take Social Security early.

Does Working Impact Spousal Benefits?

If you (or your spouse) elect to receive Social Security early, and continue working, it can have an impact on spousal benefits you are able to collect due to the earnings limit. The earnings limit can further reduce or, in some cases, temporarily eliminate your benefits.

There are two separate earnings limits that could apply depending on how close to your FRA you are when you begin receiving benefits. \$1 in Social Security benefits will be withheld for every \$2 earned above the limit (if you will be younger than FRA all year) or \$1 for every \$3 earned above the limit if you

reach FRA later in the year. The earnings limit no longer applies once you reach FRA.

Can I Switch Between My Own Social Security and Spousal Benefits?

If you are entitled to both your own Social Security and a spousal benefit amount, you are not generally permitted to switch between the two forms of payment. However, if at the time you apply for Social Security, the only benefit available is your own (because your spouse has not yet filed for Social Security), there is an exception. Because you will become eligible when your spouse begins collecting, you are able to switch to the spousal benefit if it is higher than your own.

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. ■

IMPORTANT DISCLOSURES This piece is intended to provide accurate information regarding the subject matter discussed. It is made available with the understanding that Benjamin F. Edwards is not engaged in rendering legal, accounting or tax preparation services. Specific questions on taxes or legal matters as they relate to your individual situation should be directed to your tax or legal professional.