The Social Side of Retirement℠

Social Security filing strategies for surviving spouses

If you are widowed and wondering what to do about your Social Security retirement benefits, it's worth taking some time to learn more about the filing options that are available to you. This is even more important if you are caring for your deceased spouse's qualifying child.

Timing is a key variable for everyone, but especially for someone who is widowed. **Collecting benefits early, before reaching full retirement age, permanently reduces your monthly benefit.**

Of course, there may be good reasons for filing before you reach your full retirement age; health concerns, a reduced life expectancy, and financial need are all important considerations.

The Social Security Administration bases your full retirement age on the year of your birth, as shown in this chart.

YOUR FULL RETIREMENT AGE[1]

Year of Birth	Full Retirement Age
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

[1] Social Security Administration, "Social Security Benefit Amounts for the Surviving Spouse by Year of Birth," www.ssa.gov/planners/survivors/survivorchartred.html.

Are you eligible for a survivors benefit?

As a surviving spouse, you could receive:

- Your own benefit, or up to 100 percent of your deceased spouse's benefit, whichever amount is greater.
- Reduced benefits as early as age 60, or full benefits once you've reached full retirement age.
- Benefits as early as age 50 if you are disabled and the disability starts before or within seven years of your spouse's death.[2]

If you are widowed and remarry after reaching age 60 (age 50, if you are disabled), the new marriage will not affect your eligibility for survivors benefits.

Surviving spouses who have not remarried can receive survivor's benefits at any age if they care for the deceased spouse's child. That child must be under the age of 16, or disabled and receiving benefits based on the deceased spouse's record.

It's your Social Security and your decision.

For the sake of simplicity, the following examples reflect limited benefit filing variables. Many factors can affect the amount of your Social Security benefit, including:

- Whether you have reached full retirement age.
- Whether you have remarried.
- Whether you care for your spouse's dependent child who is under age 16 or who is disabled.
- Whether you have earned income if you are less than full retirement age.

Contact the Social Security Administration for information that can help you make an informed filing decision.[3]

When you visit or call, ask for the amount of your survivors benefit. Also, if you are eligible to receive an individual retirement benefit, be sure to ask what that benefit amount would be at different filing ages. This will give you a good basis for comparing your filing options.

Now, let's look at an example of how survivors benefits might work for one widow named Kathy.

[2] Social Security Administration, "Survivor Planner: Survivors Benefits for Your Widow or Widower," www.ssa.gov/planners/survivors/onyourown2.html.

[3] Social Security Administration, SSA Publication No. 05-10077, "What You Need to Know When You Get Retirement or Survivors Benefits", www.ssa.gov/pubs/EN-05-10077.pdf.

Kathy

Kathy is 66 years old and recently lost Bill, her husband of 35 years. Kathy would very much like to retire and move closer to her children. Her full retirement age Social Security benefit is $1,500.

On the other hand, Kathy is concerned about having enough income in retirement. She wonders whether she should continue working a bit longer and delay taking her Social Security benefit.

Bill

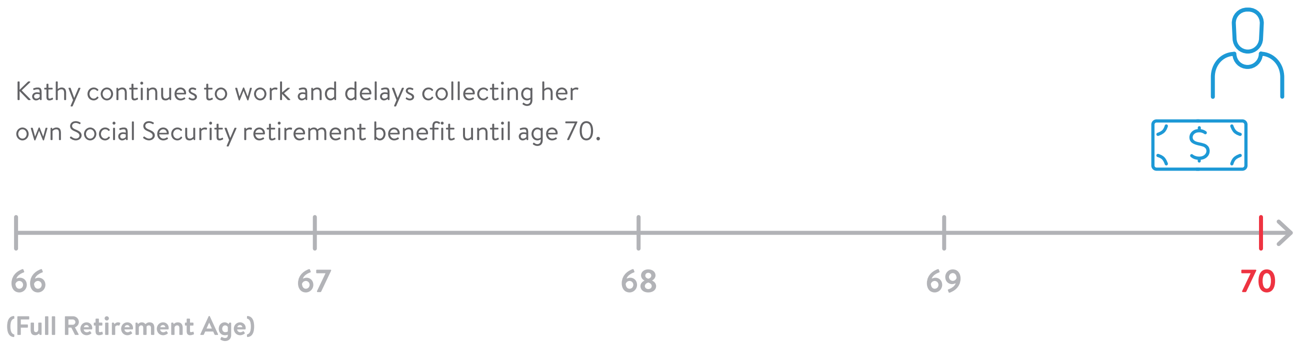
At the time of his death, Bill was 66 and had just begun receiving his full retirement age benefit of $1,800 each month.

As a surviving spouse, Kathy has some important decisions to make — including when and how to file for her Social Security benefits. Her benefit filing strategy can have a significant impact on her monthly cash flow, and on the benefits she receives over her lifetime.

Let's look at how two different filing strategies might affect Kathy's benefits.

Filing strategy 1

Kathy decides to continue working and delay collecting her benefit until age 70, without considering her status as a widow.



Analysis: This strategy allows Kathy to maximize her own monthly benefit, because she will benefit from delayed retirement credits and any annual Social Security cost-of-living adjustments (COLAs). However, this strategy does not take into account her late husband's benefit. By the time she is 90, Kathy will collect $570,510[4] in cumulative lifetime Social Security benefits, assuming 1.5 percent annual cost-of-living adjustments and annual 8 percent delayed retirement credits[5] earned between ages 66 and 70.

[4] Benefits calculated as of December 2017.

[5] Delayed retirement credits may accrue for each month beyond your full retirement age that you delay receiving your individual benefit. People who were born in 1943 or later can earn annual delayed retirement credits of up to 8 percent of their full retirement age benefit each full year, potentially increasing monthly benefit amounts by up to 32 percent.

Filing strategy 2

At her full retirement age of 66, Kathy can file a restricted claim for a survivors benefit based on her deceased husband's earnings history. She delays collecting her own benefit until age 70.

1

Kathy files a restricted application for a **survivors benefit** at her full retirement age of 66. As a widow, Kathy is eligible to receive an amount equal to 100 percent of Bill's $1,800 benefit.

2

Between ages 66 and 70, Kathy collects a survivors benefit equal to 100 percent of Bill's benefit, while her individual benefit earns annual delayed retirement credits equal to 8 percent of her own full retirement age benefit.

3

Kathy stops collecting a **survivors benefit** and begins collecting her individual monthly Social Security benefit, which includes delayed retirement credits of 32 percent.

Analysis: With a restricted filing strategy, Kathy can begin receiving a survivors benefit while her own benefit increases with delayed retirement credits. Her cumulative lifetime Social Security benefits from age 66 to 90 is $652,326. The difference in filing strategies provides Kathy with additional cumulative lifetime income of $81,816.

Take the guesswork out of your Social Security filing decision.

One of the most important steps you can take is to set up your *my* Social Security account on **www.ssa.gov.** This is an easy and secure way to view your estimated benefits and earnings history. The Social Security Administration will use this information when it calculates your benefit,
so be sure that it accurately reflects your work history.

We're here to help

Once you've set up your my Social Security account, your financial professional can help you explore different filing strategies. With this information, you will be better able to make an informed Social Security filing decision.

For more information or copies of publications, or to set up your *my* Social Security account, visit the Social Security Administration website at www.ssa.gov or call toll free at 1-800-772-1213 (TTY 1-800-325-0778).

Final decisions about Social Security filing strategies always rest with you and should be based on your specific needs and health considerations. It is important to acquire as much information as possible so that you can make an informed Social Security claiming decision; one year after the Social Security claiming decision is made, options for change are extremely limited.

Some people, such as certain federal, state, and local government workers, may be subject to the "Government Pension Offset" and the "Windfall Elimination Provision," which could decrease their Social Security benefits.

If you work for an employer that offers a retirement plan, your plan benefit may be subject to a Social Security "pension offset" provision. (Your 401(k) contributions and the employer match are not subject to a pension offset.) A pension offset may reduce the amount of your retirement plan benefit when you become eligible to collect Social Security retirement benefits. This reduction may apply whether or not you are collecting Social Security retirement benefits. This could be an important consideration as you make your filing decision. Your plan administrator can tell you whether your plan includes a Social Security pension offset provision and how it might affect your retirement plan benefit.

The Social Security program was created by an Act of Congress and is subject to change. In the past, Congress has made changes to the law, which have affected Social Security benefits. Congress can make changes to the law at any time, which might affect benefits in the future.

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