
Social Security *Frequently Asked Questions*

Social Security is an important aspect of retirement income to individuals nearing or at retirement age. While it was designed as a supplemental income source for retirees, Social Security income and survivorship benefits provide a basic foundation of lifetime income upon which to build when planning for retirement. Understanding how it can best be integrated in retirement planning can help significantly. Below are some of the more commonly asked questions regarding Social Security benefits.

1 What are the rules for divorced spouses collecting on ex-spouses' earning records?

Answer: Divorced spouses must be at least age 62, have been married for at least 10 years, and not currently married or entitled to higher benefits on their own record. They get traditional spousal benefits (50% of Primary Insurance Amount (PIA) at Normal Retirement Age (NRA)).

2 Does a divorced spouse have to wait until his or her former spouse files for Social Security benefits before collecting on an ex-spouse's earnings record?

Answer: No. Divorced spouses are entitled to spousal benefits on former spouses' earnings records as long as they were married for at least 10 years. Divorced spouses can file for these benefits beginning at age 62 and when their former spouse becomes entitled to receive Social Security (at his or her age 62). In contrast, current spouses can't collect spousal benefits until the covered worker files for Social Security.

3 Does the earnings test apply to survivorship benefits?

Answer: Yes. A widow(er) is entitled to survivorship benefits beginning at age 60 (age 50 if disabled). However, if the widow(er) is still working and he or she plans on collecting Social Security survivorship benefits, the earnings test applies. Currently the earnings test is \$15,700 .* Meaning, for every \$2 earned above \$15,700, \$1 of Social Security benefits will be withheld.

4 What is "file and suspend"?

Answer: In order for a current spouse to be eligible for a spousal benefit, the other spouse must be collecting benefits. However, at NRA a worker may "file" for benefits (allowing for the other spouse to begin the spousal benefit) and then immediately "suspend" taking benefits until a later date for a larger benefit. Typically, this strategy is designed to provide a female spouse with income in the present while allowing the male spouse to earn deferment credits to maximize the female spouse's survivorship benefit. Note: this cannot be executed online, but rather in a local Social Security office.

*2015 threshold



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5 Can both spouses file and suspend benefits?

Answer: No

6 At what age/time can a spouse file and suspend?

Answer: At normal retirement age.

7 If an individual never applied for Social Security and is well past the age of 70 can he or she apply for retroactive benefits?

Answer: The individual would be able to collect six months of retroactive benefits.

8 How does the government capture the benefit reduction if someone is collecting Social Security before NRA and is working?

Answer: Social Security will ask individuals collecting benefits to estimate their income for the upcoming year. If the income is above the income threshold of \$15,700,* they will reduce the benefits \$1 for every \$2 over the limit. They will withhold monthly benefits until this amount in total is withheld. After that, monthly benefit payments will resume. After the year is over and actual earnings are reported, any adjustments will be made.

9 If you are working while receiving Social Security benefits, do you continue to pay Social Security Payroll Tax?

Answer: Yes.

10 If you have a married couple where the wife is age 62 and the husband is age 70 and the wife elects to file for her own benefit before NRA, do you use her wage-based earnings only or do you use both of theirs if they file their income taxes jointly?

Answer: Social Security verifies income by checking W-2s, not tax returns.

11 If the husband is age 64 and his wife is age 62 and the wife wants to collect a spousal benefit based on the husband's benefit, can the husband file and suspend his benefit?

Answer: No. He can file and suspend the benefit only if he has reached NRA.

12 If husband and wife are approximately the same age and have the same PIA, can they at NRA both file and suspend their benefits, allowing the other to claim a spousal benefit, and then file at 70 for their own benefits with delay credits?

Answer: No. Only one spouse would be able to claim a spousal benefit at NRA in lieu of his or her own. Once the first spouse files for his or her own benefit and suspends it, this would preclude him or her from filing for a spousal benefit.

13 If a spouse collected his or her own retirement benefit early, does this reduction also apply to a survivorship benefit?

Answer: No. The survivorship benefit will be based on the spouse's age when he or she applies. If he or she is at or beyond NRA, the benefit would be 100% of the PIA of the deceased spouse.

*2015 threshold

14 Can a person who is not eligible for Social Security benefits under his or her own work record begin collecting spousal benefits at age 62?

Answer: Yes. Keep in mind that at NRA spousal benefits provide 50% of the covered worker's primary insurance amount. If a person elects spousal benefits prior to NRA, he or she will get between 35–37% of the covered worker's primary insurance amount (not 50%). This is true regardless of how old the covered worker is when he or she begins collecting benefits. As previously noted, a current spouse cannot collect benefits on a covered worker's record until the covered worker has also filed for benefits.

15 Can a spouse begin taking benefits based on his or her own work history before NRA (and before the other spouse begins his or her own benefit) and then switch to a spousal benefit when the other spouse begins taking benefits (assuming the 50% spousal benefit is greater than his or her own?)

Answer: Yes. However, the spousal benefit will be reduced because benefits are based on his or her own record commenced before NRA.

16 Can a worker start taking benefits based on his or her own work history at age 62 and then switch to a spousal benefit at age 66, or vice versa, if his or her spouse is currently collecting benefits?

Answer: No. Before NRA a worker will automatically be given the larger of his or her own benefit or the 50% spousal benefit. However, at or after NRA a worker may choose which one to take. For instance, a husband may elect at age 66 to take 50% of his wife's benefit and defer taking his own. This will provide income in the present while allowing him to earn deferment credits and maximize his wife's survivorship benefit.

17 Can distributions from certain pensions reduce the amount of Social Security a worker will receive?

Answer: Yes. Many public employees (teachers, police officers, etc.) pay into public pension funds in lieu of participating in Social Security. However, many of these same workers also paid into Social Security before or after public service and accumulated enough credits to be fully insured under the system. Workers who worked less than 30 years under Social Security may see their benefit reduced up to two thirds depending on the amount of the pension distribution.

18 Can distributions from certain pensions reduce the amount of Social Security survivorship benefits a person will receive?

Answer: Yes. However, the pension distribution will impact the Social Security survivorship benefit only if the pension was earned by the survivor. For instance, a retired teacher is receiving a Social Security survivorship benefit from her late husband and then begins taking "her" pension that she earned during her career. She may see a reduction. However, a widow receiving a pension distribution from her late "husband's" pension will not receive a reduction in Social Security survivorship benefits.

For More Information, Visit www.socialsecurity.gov.

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