

Receiving the Most Out of Social Security

From time to time, our relationship with a client creates a unique story. Sharing a “case study” may help to describe outside the box ways value is added to a relationship.

A client, “Sally” (not her real name) who sought financial advice several years ago recently was divorced from her second husband. As a normal part of the process, she was asked to send in her tax return so it could be analyzed.

Her tax return showed her receiving approximately \$5,100/year in Social Security benefits. Asking questions to gain more insight, brought to light that this amount was not based off of her own Social Security record. The Social Security amount determined was from her second husband who had owned his own business and declared a small amount of W-2 income. This resulted in his Primary Insurance Amount (PIA) being much smaller than a typical W-2 worker. Sally’s annual Social Security amount was half of her ex-second husband’s Social Security benefit.

Is there any way Sally could receive a greater Social Security benefit?

Sally was asked if she had been married to her 1st husband for at least 10 years. To which, she responded yes. He worked at a bank, but he did not own the bank. He was an employee for the bank. All his income was reported on his W-2, and he had compiled a much higher PIA amount than her second husband. By learning more about Sally personally as well as her marriage history, her own Social Security amount could potentially increase, but more homework needed to be completed to make sure.

Sally went on a visit to the social security office in Gainesville, GA with her advisor; taking with her the marriage certificate and divorce decree from her first marriage. Two weeks after meeting with a social security representative, Sally’s annual benefit increased to over \$11,000/year.

What made this possible?

- Sally had been married at least 10 years, allowing her access to the “record” of a former spouse.
- Sally was over the age of 62, and not currently married.
- Her first husband’s PIA was significantly higher than her second husband and therefore her benefit was increased correspondingly. She was able to claim up to 50% of either of her ex-husband’s benefits.

If the above made you think of someone you know, or someone who could potentially benefit from our services we would enjoy meeting them. We would love to be a sounding board for your family and friends. If any of them should need a second opinion on their financial situation, introduce them to www.striblingwhalen.com or call us at 678-989-0048.

Source:

<https://www.investopedia.com/ask/answers/081815/can-divorced-woman-collect-social-security-her-exhusband.asp>

Disclaimer:

This is a hypothetical example for illustration purposes. Actual investor results will vary. Investments, account types and strategies mentioned may not be suitable for all investors.