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# Social Security Claiming Strategies for Married Couples



*Every situation is unique, so these strategies may not be appropriate for all couples. When deciding when to apply for Social Security benefits, make sure to consider a number of scenarios that take into account factors such as both spouses' ages, estimated benefit entitlements, and life expectancies.*



Deciding when to begin receiving Social Security benefits is a major financial issue for anyone approaching retirement because the age at which you apply for benefits will affect the amount you'll receive. If you're married, this decision can be especially complicated because you and your spouse will need to plan together, taking into account the Social Security benefits you may each be entitled to. For example, married couples may qualify for retirement benefits based on their own earnings records, and/or for spousal benefits based on their spouse's earnings record. In addition, a surviving spouse may qualify for widow or widower's benefits based on what his or her spouse was receiving.

Fortunately, there are a couple of planning opportunities available that you may be able to use to boost both your Social Security retirement income and income for your surviving spouse. Both can be used in a variety of scenarios, but here's how they generally work.

## File and suspend

Generally, a husband or wife is entitled to receive the higher of his or her own Social Security retirement benefit (a worker's benefit) or as much as 50% of what his or her spouse is entitled to receive at full retirement age (a spousal benefit). But here's the catch: under Social Security rules, a husband or wife who is eligible to file for spousal benefits based on his or her spouse's record cannot do so until his or her spouse begins collecting retirement benefits. However, there is an exception--someone who has reached full retirement age but who doesn't want to begin collecting retirement benefits right away may choose to file an application for retirement benefits, then immediately request to have those benefits suspended, so that his or her eligible spouse can file for spousal benefits.

The file-and-suspend strategy is most commonly used when one spouse has much lower lifetime earnings, and thus will receive a higher retirement benefit based on his or her spouse's earnings record

than on his or her own earnings record. Using this strategy can potentially boost retirement income in three ways.

1. The spouse with higher earnings who has suspended benefits can accrue delayed retirement credits at a rate of 8% per year (the rate for anyone born in 1943 or later) up until age 70, thereby increasing his or her retirement benefit by as much as 32%.
2. The spouse with lower earnings can immediately claim a higher (spousal) benefit.
3. Any survivor's benefit available to the lower-earning spouse will also increase because a surviving spouse generally receives a benefit equal to 100% of the monthly retirement benefit the other spouse was receiving (or was entitled to receive) at the time of his or her death.

Here's a hypothetical example. Leslie is about to reach her full retirement age of 66, but she wants to postpone filing for Social Security benefits so that she can increase her monthly retirement benefit from \$2,000 at full retirement age to \$2,640 at age 70 (32% more). However, her husband Lou (who has had substantially lower lifetime earnings) wants to retire in a few months at his full retirement age (also 66). He will be eligible for a higher monthly spousal benefit based on Leslie's work record than on his own--\$1,000 vs. \$700. So that Lou can receive the higher spousal benefit as soon as he retires, Leslie files an application for benefits, but then immediately suspends it. Leslie can then earn delayed retirement credits, resulting in a higher retirement benefit for her at age 70 and a higher widower's benefit for Lou in the event of her death.

## File for one benefit, then the other

Another strategy that can be used to increase household income for retirees is to have one spouse file for spousal benefits first, then switch to his or her own higher retirement benefit later.

Once a spouse reaches full retirement age and is



***For more information about your options and the benefit application process, contact the Social Security Administration at (800) 772-1213 or visit [www.socialsecurity.gov](http://www.socialsecurity.gov).***

eligible for a spousal benefit based on his or her spouse's earnings record and a retirement benefit based on his or her own earnings record, he or she can choose to file a restricted application for spousal benefits, then delay applying for retirement benefits on his or her own earnings record (up until age 70) in order to earn delayed retirement credits. This may help to maximize survivor's income as well as retirement income, because the surviving spouse will be eligible for the greater of his or her own benefit or 100% of the spouse's benefit.

This strategy can be used in a variety of scenarios, but here's one hypothetical example that illustrates how it might be used when both spouses have substantial earnings but don't want to postpone applying for benefits altogether. Liz files for her Social Security retirement benefit of \$2,400 per month at age 66 (based on her own earnings record), but her husband Tim wants to wait until age 70 to file. At age 66 (his full retirement age) Tim applies for spousal benefits based on Liz's earnings record (Liz has already filed for benefits) and receives 50% of Liz's benefit amount (\$1,200 per month). He then delays applying for benefits based on his own earnings record (\$2,100 per month at full retirement age) so that he can earn delayed retirement credits. At age 70, Tim switches from collecting a spousal benefit to his own larger worker's retirement benefit of \$2,772 per month (32% higher than at age 66). This not only increases Liz and Tim's household income but also enables Liz to receive a larger survivor's benefit in the event of Tim's death.

## Things to keep in mind

- Deciding when to begin receiving Social Security benefits is a complicated decision. You'll need to consider a number of scenarios, and take into account factors such as both spouses' ages, estimated benefit entitlements, and life expectancies. A Social Security representative can't give you advice, but can help explain your options.
- Using the file-and-suspend strategy may not be advantageous when one spouse is in poor health or when Social Security income is needed as soon as possible.
- Delaying Social Security income may have tax consequences--consult a tax professional.
- Spousal or survivor's benefits are generally reduced by a certain percentage if received before full retirement age.

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