



# Claiming Social Security Benefits

NATIONAL  
ACADEMY  
OF SOCIAL  
INSURANCE

## WHAT TO KNOW, WHAT TO ASK

By Joan Entmacher, Benjamin Veghte, and Kristen Arnold

### Thinking about retirement?

Deciding when to take Social Security benefits is one of the most important financial decisions you will make. For most people, Social Security is their largest source of income throughout retirement. And it's one of the few sources of income you (and your spouse, if you are married) can count on for as long as you live. So it's important to make the most of your Social Security benefits.

If you need Social Security to make ends meet, claim it! That's what it's there for – and you've earned it. But if you have a choice, waiting to claim benefits can give you a larger monthly benefit for life. And, because Social Security is a family security program, waiting to claim benefits increases protection for your surviving spouse as well, if you are the higher earner.

There's a lot to think about. You should consider your work history and plans, family structure, health condition and life expectancy, and other financial resources and needs. This guide gives you key information to get started, suggests questions you can ask when

discussing your benefit claim with your local Social Security Administration (SSA) office, and points you to other useful online resources.

### WHAT TO KNOW BEFORE YOU CLAIM

There are several things you should do before going to your local SSA office to discuss your claim. It makes sense to start taking these steps long before you approach retirement.

#### Step 1: Know your Full Retirement Age

You can take retirement benefits any time between ages 62 and 70. But benefits are reduced if you claim them before your Full Retirement Age (FRA) – and increased if you wait. If you were born between 1943 and 1954, your full retirement age is 66. Born between 1955 and 1960? Your FRA is two months higher for each year. If you were born in 1960 or later, your full retirement age is 67.



**If you have a choice,  
waiting to claim benefits  
can give you a larger  
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When is Your Full Retirement Age?	
If you were born in:	Your full retirement age is:
1943-54	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 or later	67

SSA, Retirement Planner: Full Retirement Age, 2016.

### Step 2: Know how the age at which you claim benefits affects your benefit amount

Your monthly lifetime benefit amount will be reduced for every month you claim before your Full Retirement Age. For example, if your FRA is 66 and you claim benefits at age 63, your monthly benefit as a worker will be 20% less for the rest of your life; if you claim at age 62, it will be 25% lower than if you claimed it at 66.

On the other hand, your monthly benefit increases for every month you wait beyond your FRA until age 70, at a rate of 8% per year. If your FRA is 66 and you can wait until age 68, your monthly benefit will be 16% higher than if you claimed

it at 66. If you can wait until age 70, your monthly benefit will be 32% higher than if you claimed it at 66 – and 76% higher than if you claimed it at 62. For example, if your monthly benefit at your FRA of 66 would be \$1,500, it would be \$1,125 if you claimed it at 62 and \$1,980 if you claimed it at 70.

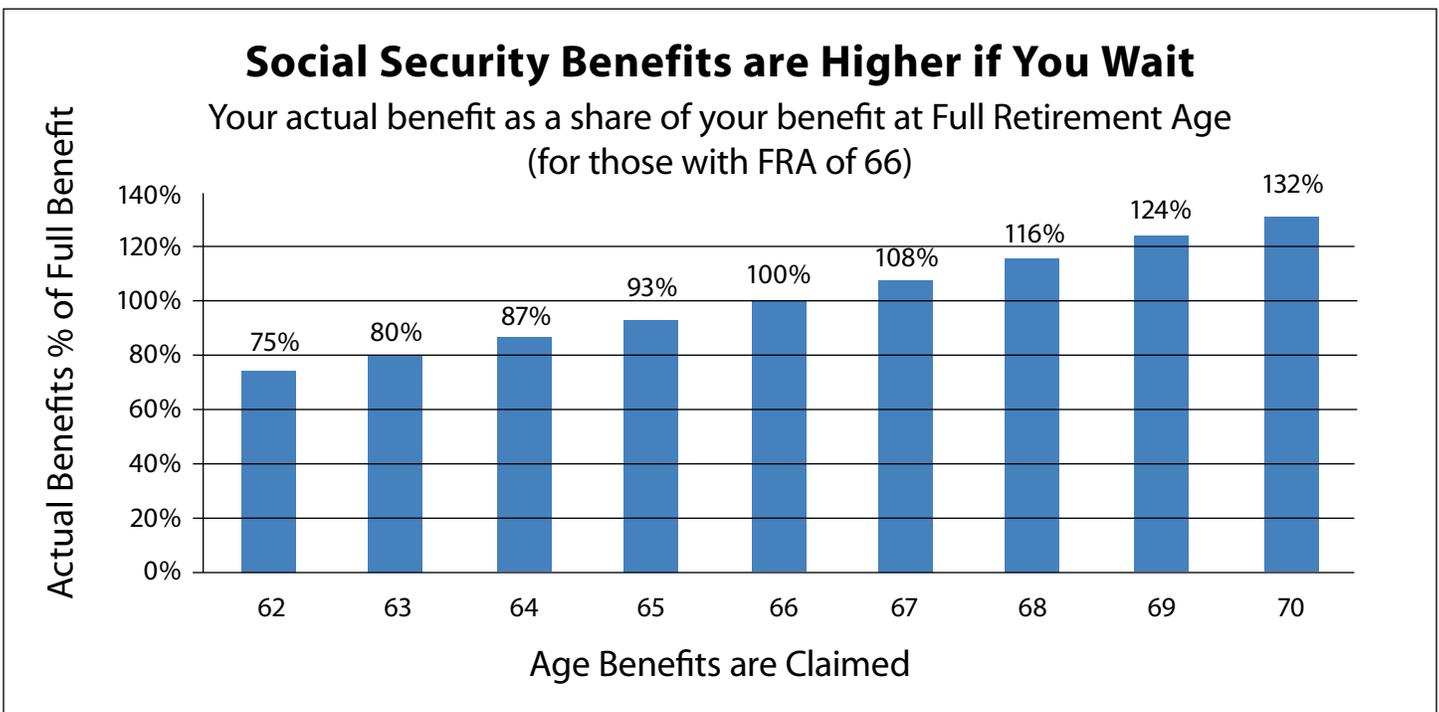
#### Resources:

*Social Security Benefit Calculators, SSA*

*When Should I Take Social Security Benefits? Questions to Consider, National Academy of Social Insurance*

### Step 3: Consider your (and your spouse’s) health and life expectancy

Deciding whether and how long to wait to claim Social Security benefits can be a difficult decision. On the one hand, you may be worried that you (and/or your spouse) will live so long that your savings will run out and you will depend entirely on Social Security. By waiting to claim benefits, you can increase the Social Security benefit you receive later in life and increase your long-term financial security. On the other hand, if you’re in poor health, you may worry that if you wait to claim benefits, you won’t live long enough to get much back from Social Security. If you are in good health and can afford to wait, consider waiting to claim benefits. The better your health, the more it pays to wait to claim benefits.





If you are in poor health and need your benefits, claim them. But if you can afford to wait, even if you are in poor health, there's more to consider. Statistics about average life expectancy can't tell you how long you will live. Even if you have a chronic health condition, you may live longer than you think, and Social Security can protect you against the risk of outliving your savings. And, if you are the higher earner, your surviving spouse may rely on the higher benefits you received by waiting.

*Resources:*

*How Long Will I Live*, Abaris

#### **Step 4: Check that your earnings history is correct**

Your benefit as a worker is based on your average lifetime earnings. If SSA does not have accurate information on your earnings history, your benefit amount will be wrong. It is a good idea to check your earnings history data periodically to make sure it is correct. You can do this by creating a **"my Social Security** account" at <https://www.ssa.gov/myaccount/>. You can use your account to get a copy of your "Social Security Statement," which will show the wages that have been reported by your employers for each year that you've worked. If you are married, make sure your spouse checks his or her earnings record as well.

If you find a mistake, contact SSA to correct your record. Don't wait until you're ready to file for benefits.

*Resources:*

*How to Correct Your Social Security Earnings Record*, SSA

#### **Step 5: Find out about the benefits you may be eligible for as a spouse, surviving spouse, divorced spouse, or divorced surviving spouse**

Social Security is a family insurance plan, designed to guarantee a foundation of economic security for families when income is lost due to old age, disability, or death of a breadwinner.

- ▶ **Spousal benefit:** If you are married or divorced (after a marriage lasting 10 years or longer), you may be eligible for a benefit up to 50% of your spouse's (or ex-spouse's) benefit if that is the larger benefit based on your own work history.
- ▶ **Surviving spouse benefit:** If you are a widow(er) or surviving divorced spouse (after a marriage lasting 10 years or longer), you may be eligible for a benefit up to 100% of your deceased spouse's benefit if that is larger than the benefit based on your own work history.

If you are eligible for benefits as a spouse and a worker, and turned 62 before January 2, 2016, you may have the option to choose whether to claim a benefit based on your own work record or that of your spouse. Your options depend on whether you are eligible for a benefit as a spouse or surviving spouse, whether you have reached your Full Retirement Age, and your date of birth. Which choice is best for you and your spouse depends on several factors, and

can change over time. Issues to consider – and questions to ask – concerning this choice are discussed in later sections.

*Resources:*

*Making the Most of Your Retirement Income: Social Security for Spouses, Divorced Spouses and Widows and Widowers, National Women’s Law Center*  
*Retirement Planner: Benefits for Your Spouse, SSA*

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## DECIDING WHEN AND HOW TO CLAIM DEPENDS ON YOUR PARTICULAR SITUATION

Your decision about when and how to claim Social Security should take into account your work history and plans, family structure, health, and other sources of income and needs. The following sections describe a range of situations, and what you should know and ask if they apply to you.

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### I am ....

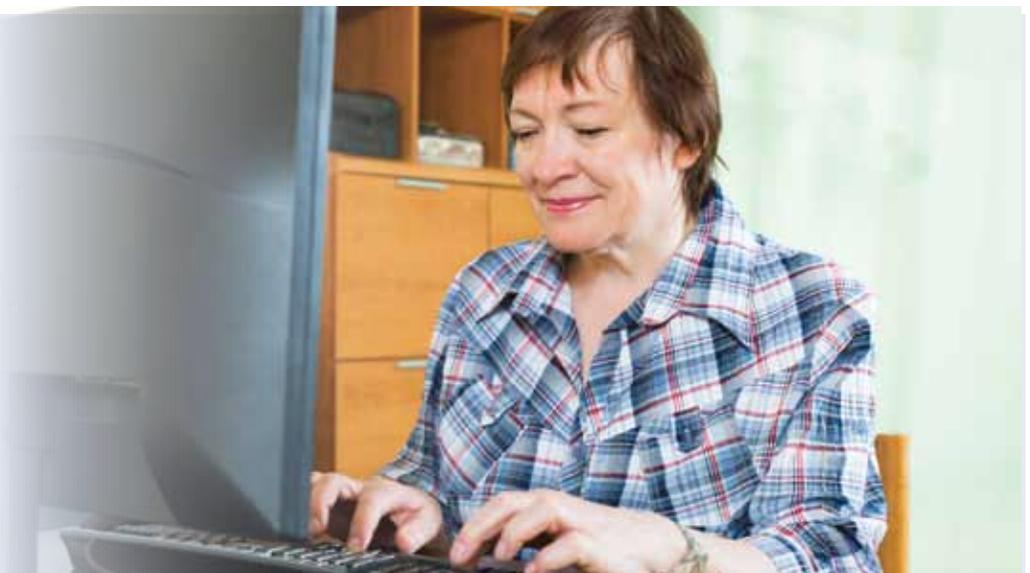
#### Thinking about whether to continue working and claim benefits

Working beyond age 62 can increase your monthly benefits in two ways. First, as described above, your monthly lifetime benefits will increase by 6-8% for each year that you wait to take benefits. Second, working longer can increase your career average earnings, on which your benefits are based. Social Security benefits are based on the average of your highest 35 years of earnings. If you have fewer than 35 years

of earnings or some years with very low earnings, working beyond age 62 can replace zero or low earnings years from earlier in your career. This will increase your Social Security benefits.

You can continue working and also receive Social Security retirement benefits. However, if you claim Social Security benefits before your Full Retirement Age and continue working, the Social Security Administration may withhold some or all of your benefits if you earn more than a specified amount (the “earnings test”). However, when

**If you have fewer than 35 years of earnings or some years with very low earnings, working beyond age 62 can replace zero or low earnings years from earlier in your career. This will increase your Social Security benefits.**



you reach your FRA, your monthly benefit amount will be increased to take into account the number of months in which benefits were not paid. The earnings test applies whether you are receiving a benefit as a worker, a spouse, or a surviving spouse.

If you wait until your FRA or later to claim benefits, you can earn as much as you want and none of your benefit will be withheld. If your additional earnings increase your career average earnings, that can increase your monthly benefit. But if you claim your benefit at your FRA, you won't get the extra 8% a year you could get by waiting longer to take benefits.

Continuing to work is not an option for everyone, however. If you need Social Security to prevent hardship and meet your basic needs, claim your benefits. That's what Social Security is there for. If you can't continue working because of a serious health condition and you're below your FRA, ask SSA if you would qualify for disability benefits. If you do, your disability benefits, and later your retirement benefits, will not be reduced because you claimed them before your FRA.

We know this is complicated! If you are thinking about claiming early and continuing to work, here are some questions you can ask the Social Security Administration:

- ▶ **How much could working longer increase my Social Security benefits?**
- ▶ **How much can I earn each month before some or all of my Social Security benefits are temporarily withheld?**
- ▶ **If some benefits are withheld before I reach my FRA, how will this affect my monthly benefit amount after I reach my FRA?**
- ▶ **Suppose I earn less than the limit so nothing is withheld. How will my current and future benefits be affected because I claimed them before my Full Retirement Age?**
- ▶ **(If you're married) How will these different choices affect the benefit of my spouse or surviving spouse?**

*Resources:*

*How Work Affects Your Benefits, SSA*

## Currently married

Married couples have two lives to plan for in retirement. If you are the higher earner and wait to claim benefits, not only will your benefits be higher for the rest of your life, but those higher benefits will be passed on to your spouse. This is important because the likelihood of at least one of the two spouses surviving past age 85 is much higher than the likelihood that any one individual will live past this age.



Understanding your claiming options as a couple can help you to make informed decisions with your spouse. Each of you is eligible for your own worker benefit, based on your own work history, or up to 50% of your spouse's benefit, whichever is higher.

As a married couple, you can receive retirement benefits as a spouse only after your husband or wife files a claim for benefits based on his/her own work history. Due to a recent change in the law, this requirement can no longer be satisfied by your spouse filing for benefits at his/her FRA and asking that the payment of benefits be suspended, a strategy known as 'file and suspend.' Unless you are divorced or exercised this option before April 30, 2016, your husband or wife must actually be receiving retirement benefits for you to be eligible for a spousal benefit.

If you wait until your FRA to claim a benefit, your spousal benefit will equal 50% of the benefit your husband or wife would receive if he/she filed at his/her FRA. If you file before your FRA, it will be reduced. Unlike your worker benefit, you cannot increase your benefit as a spouse by waiting until after your FRA to claim it.



## Bipartisan Budget Act of 2015

The Bipartisan Budget Act of 2015 changed the rules for claiming Social Security benefits for married couples in two ways:

- ▶ First, if you are eligible for benefits both as a worker and as a spouse (or divorced spouse), and turned 62 after January 1, 2016, you can no longer claim one benefit and let the other grow – you are deemed to have claimed both at the same time. This “deemed filing” used to apply only if you filed for a benefit before full retirement age, currently 66. It now applies at all ages.
- ▶ Second, if you take your retirement benefit and then suspend it (on or after April 30, 2016) to earn delayed retirement credits, your spouse or dependents generally won’t be able to receive benefits on your Social Security record during the suspension. You also won’t be able to receive spousal benefits on anyone else’s record during that time. Benefits payable to a divorced spouse won’t be affected.

The rules for claiming benefits as a surviving spouse or surviving divorced spouse are not affected by these changes.

Here are some of your options for when to claim benefits, and the implications of those choices:

- If you file before your FRA and are eligible for Social Security benefits as both a spouse and a worker, you must file for both benefits—and they both will be reduced for early claiming. You cannot choose to apply for just one benefit and let the other benefit grow. You will receive the higher of the two benefits for which you are eligible.
- If you are only eligible for a spousal benefit (that is, you haven’t worked in covered employment long enough to qualify for your own worker benefit), or your spousal benefit is larger than your worker benefit could ever become (even if you waited until age 70), waiting until your FRA will maximize your monthly benefit. Waiting beyond your FRA will not increase your benefit, because your spousal benefit stops growing when you reach your FRA.
- In some cases, you can choose to claim just your benefit as a spouse, and delay claiming your worker benefit so it will increase. You may do this if you:
  - a) are eligible for Social Security benefits as both a spouse and a worker, b) were born before January 2, 1954, and c) wait until your FRA to claim a benefit. This will maximize your benefit as a spouse and allow your benefit as a worker to grow at 8% per year. If your worker benefit is, or will grow to be, larger than your benefit as a spouse, waiting to claim your worker benefit can increase your monthly benefit.
- In most other cases, you must claim your spousal and your worker benefit at the same time, whether this is before or after your FRA. This is the case if you were born on or after January 2, 1954. (Note: this is a change in policy due to a recent change in the law.)

If you are currently married, here are some questions you and your spouse can ask the Social Security Administration:

- ▶ **If I or my spouse wait to claim benefits, how will that affect benefits for the surviving spouse?**

**Couples can increase protection for a surviving spouse by having the higher-earning spouse delay claiming Social Security benefits.**



- ▶ **We'll need some income from Social Security soon, but we can afford for one of us to wait. Please explain what our current and future benefit levels will be if I claim soon, and my spouse waits, or vice versa?**
- ▶ **Do I (or will I) have the option to take one benefit first (say, spousal benefit) while delaying the other? How would that affect my benefit amounts at different ages?**

*Resources:*

*Retirement Planner: Benefits for You as a Spouse, SSA*  
*Making the Most of Your Retirement Income: Social Security for Spouses, Divorced Spouses and Widows and Widowers, National Women's Law Center*  
*Retirement Planner: Recent Social Security Claiming Changes, SSA*  
*Retirement Planner: Voluntary Suspension FAQs, SSA*  
*Retirement Planner: Deemed Filing FAQs, SSA*

### **Widowed**

If you are a widow or widower, you are eligible for Social Security's 'life insurance' protection known as survivor's insurance. You can receive a benefit of up to 100% of your deceased spouse's benefit if it is higher than what you would receive based on your own earnings history.

Couples can increase protection for a surviving spouse by having the higher-earning spouse delay claiming Social Security benefits. This occurs because the benefit for a surviving spouse depends on when the higher-earning spouse claimed benefits. If the higher earner claimed benefits before his/her FRA, the benefit for the surviving spouse will be reduced; if the higher earner waited until after FRA, the benefit for the surviving spouse will be increased.





The amount of the survivor benefit also depends on when the surviving spouse claims benefits. After a spouse has died, if you need benefits early to prevent hardship, take them. You can claim a benefit as a widow(er) as early as age 60 (age 50 if you are disabled) – but claiming before your FRA reduces it permanently. You are eligible for 71½ to 99% of the deceased worker’s amount if you claim between 60 and your FRA. But don’t wait past your FRA to claim a benefit as a widow(er). You can’t increase your widow(er) benefit by waiting past your FRA and will only lose out on benefits.

If you are eligible for benefits both as a widow(er) and as a worker, you do not have to claim both benefits at the same time. You can choose which benefit to receive first. (Social Security has some different rules for widow(er) benefits than for spousal benefits because of the additional economic risk from the loss of a spouse.) For the highest benefit later in life, find out which benefit will eventually be larger and consider delaying that benefit until it reaches its highest amount. In the meantime, you could claim the other one first. Remember that your widow(er) benefit increases only until your FRA, while your worker benefit continues increasing until age 70.

- For example, suppose your widow(er) benefit at your FRA will be larger than your worker benefit will be, even if you wait until age 70 to claim your worker benefit. To maximize your income protection for life, you could claim your worker benefit early and wait until your FRA to claim your widow(er) benefit.

- Suppose your worker benefit at age 70 will be larger than your maximum survivor benefit at your FRA. You could claim your widow(er) benefit early and wait to claim your worker benefit.
- If you are already receiving a benefit as a spouse, if and when you are widowed you will automatically receive the higher widow(er) benefit.
- If you are only receiving a benefit as a worker, if and when you are widowed you can choose whether to apply for a widow(er) benefit immediately or wait until your FRA. If you are widowed after you reach your FRA, there is no reason to wait to claim your benefit as a widow(er).

Note: Social Security survivor benefits are available in other circumstances as well. A surviving spouse of any age who is caring for a child under age 16 can receive benefits. A child may qualify to receive benefits based on the deceased parent’s work record. The child must be unmarried, under age 18 (or under age 19 and a full-time student in grade 12 or below), or 18 or older and experiencing a disability that began before age 22. A grandchild of a deceased worker may be eligible for benefits in certain cases. A dependent parent of a deceased worker also may qualify. If you think you or your family might qualify for any of these types of benefits, ask the SSA.

If you are widowed, here are some questions you can ask the Social Security Administration:

- ▶ **How much will my widow(er) benefit be if I claim it now? If I wait to claim it at my FRA?**
- ▶ **How much will my worker benefit be if I claim it now? If I wait until age 70 to claim it?**
- ▶ **How do I apply just for a worker benefit, or just a widow(er) benefit?**



*Resources:*

*Survivors Benefits, SSA*

*Survivor's Planner: If You are the Worker's Widow or Widower, SSA*

*Survivor's Planner: How Much Would Your Benefit be?, SSA*

*Survivor's Planner: If You are the Survivor, SSA*

## **Divorced**

If you are divorced, you may be eligible for the same benefits as a current spouse or surviving spouse, if your marriage lasted for 10 years or longer. It does not matter if your ex-spouse remarried. Your claiming a benefit as a divorced

spouse or divorced widow(er) does not affect the eligibility or benefit level of your ex-spouse or his/her family members.

For you to be eligible for benefits as a divorced spouse:

- ▶ You must be at least 62.
- ▶ Your ex-spouse must be at least 62. Even if your ex-spouse has not claimed benefits, you can receive benefits as a divorced spouse if you have been divorced for at least two years.
- ▶ You must not be currently married. However, if you re-married and your later marriage ended (because of death, divorce, or annulment), you may file for benefits based on the work record of any of your former spouses, as long as each marriage lasted at least 10 years.

For you to be eligible as a divorced widow(er):

- ▶ You must be at least 60 (50 if disabled).
- ▶ In general, you must not be currently married – however, if you remarried after reaching age 60, the remarriage will not affect your eligibility for benefits.



If you are eligible based on these conditions, you can receive Social Security benefits as a divorced spouse or divorced widow(er) without having filed any special papers at the time of divorce. When you claim benefits, you should give SSA the dates of your marriage(s) and divorce(s) and the Social Security number(s) of your ex-spouse(s). SSA will calculate the benefits for which you are eligible – your own as a worker, divorced spouse, or divorced widow(er).

If you are divorced, here are some questions you can ask the Social Security Administration:

- ▶ **What benefit am I entitled to now as a divorced spouse? As a worker? If I wait to claim my benefits, how will these amounts change?**
- ▶ **(If your ex-spouse has died) What benefit am I entitled to now as a divorced widow(er)? How much will my benefit as a divorced widow(er) be if I wait to claim it at my FRA?**

- ▶ **How much will my worker benefit be if I wait until age 70 to claim it?**
- ▶ **How do I apply just for a worker benefit, or just for a divorced widow(er) benefit?**

*Resources:*

*Survivor's Planner: If You are the Worker's Surviving Divorced Spouse, SSA*

*Retirement Planner: If You are Divorced, SSA*

### **Receiving a pension from work not covered by Social Security**

While most workers in the United States pay into Social Security, some who work for state and local governments do not. If you are eligible for Social Security and you receive a pension from non-covered employment (i.e., you did not pay full FICA taxes), special rules apply.





If you worked for part of your career in non-covered employment, receive a pension based on your earnings in non-covered employment, and have fewer than 30 years of substantial earnings in covered employment, the Windfall Elimination Provision (WEP) may reduce your Social Security worker benefit. The amount of the reduction depends on the number of years of substantial earnings in covered employment and the amount of your pension from non-covered employment. The Social Security Administration has online resources, listed below, that can help you estimate how you might be affected by the WEP.

Another provision, the Government Pension Offset (GPO), may offset part or all of your Social Security benefit as a spouse or widow(er) if you receive a pension from non-covered employment. This reduction equals 2/3 of your pension from non-covered employment.

While these rules affect a relatively small segment of the population, they can significantly affect the amount of the benefits you or your spouse can receive.

If you or your spouse are receiving or expect to receive a pension from work not covered by Social Security,

here are some questions you can ask the Social Security Administration:

- ▶ **How will my pension from work not covered by Social Security affect the amount of my Social Security benefit? (If married) How will it affect the amount of my spouse's benefit?**
- ▶ **How will my spouse's pension from work not covered by Social Security affect the amount of the benefit (s)he receives as my spouse or surviving spouse?**
- ▶ **I am not yet receiving a pension from non-covered employment. How do I make sure SSA has the right information about the amount of that pension?**
- ▶ **There are some exceptions to the WEP and GPO. Please review them with me.**

*Resources:*

*Retirement Planner: Windfall Elimination Provision (WEP), SSA Retirement Planner: Government Pension Offset (GPO), SSA Social Security Detailed Calculator, SSA*

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## CONCLUSION

You can start claiming Social Security at a range of ages and in a variety of ways, and your decision (and your spouse's) will have an impact on the income you receive for the rest of your life. This guide doesn't cover every possibility, but it can help you understand your situation and options. Check out the resources available online and take the time to discuss your situation and options with loved ones and trusted advisors, whether they be community organizations, a certified financial planner, or both. Get your information and questions together before you discuss your decisions

or remaining questions with your local Social Security office. If the representative with whom you speak cannot answer your questions sufficiently, you should feel empowered to ask for a supervisor or another representative's perspective. It's your retirement and your Social Security – make the most of it!

Social Security is the safest and most secure income that many retirees have, and benefits last for life and keep up with inflation. Taking Social Security at the appropriate time can help you and your family members to achieve a more financially secure retirement.

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*For more resources, visit <https://www.nasi.org/WhenToTakeSocialSecurity>*

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