



faith . discipline . patience

## Social Security Tidbits Fall 2017

Did you know that...

... Germany, under Chancellor Bismarck, instituted the first old-age social insurance program in 1889? 46 years before the U.S. passed the social security retirement program. In 1889-Germany the old age benefit was available to participants from age 70 while the life expectancy was in the mid-40s...

...divorced spouses who were married for more than 10 years and who have not re-married can file for benefits based on their ex-spouse's earnings record? Also, the ex-spouse does not have to have filed for his/her own benefit for the ex to access the spousal benefits. One caveat, one cannot have remarried oneself. So, remember 62/10/Unmarried: are you 62 years old, were you married for 10 years, still unmarried? If yes to all you may be able to file on your ex-spouse's record.

...if you answer yes to the following three questions you may be eligible for a spousal only "bonus" benefit while your own benefit continues to earn delayed retirement credits until age 70?

1. Are you born before 1/2/1954?
2. Have you or your spouse not yet filed for social security?
3. Are you married or divorced?

If you or a client can answer yes to these three questions make sure to let them know they may qualify for a restricted filing for spousal benefit only.

...if you filed early for social security (age 62-65) you can suspend your social security benefit between your Full Retirement Age (66 for those born 1943 - 1954) and age 70? If you suspend your benefit at 66 you would see your benefit grow by 32% by the time you re-engage at 70. One caveat, if anyone else is collecting on your record (spouse, child) their spousal/parent benefits would also be suspended.

...children can receive benefit based on their parents? If a parent has filed and has dependent children high school age or younger the children will receive a benefit. Note, when the child turns 18 the benefit is paid directly to the child – so senior year in high school could be "fun"...

...widow(er)s can receive survivor benefit from as early as age 60 while their own benefit earn Delayed Retirement Credit. And, unlike for divorcees, the benefit will remain even if they remarry after age 60. Note that the earnings test still applies until age 66-67 (Full Retirement Age) so if the widow(er) earns income this may negate the survivor benefit.

...survivors in a family are capped to a Maximum Family Benefit. The maximum amount ranges from 150% to 180% of the deceased's PIA ("Primary Insurance Amount": benefit at Full Retirement Age).

...your social security benefit may be reduced if you also receive pension from work not covered by social security? This also applies to spousal and survivor benefits. These rules are in place to prevent double dipping. The number of years worked in a social security job will impact the size of the reduction. These double dip scenarios are covered by the "Windfall Elimination Provision" rules (own benefit), and the "Government Pension Offset" rules (spousal and survivor benefits).

...your social security benefit is subject to an earnings test if you're not yet 66? In years before you turn 66 your benefit is reduce 1 dollar for every 2 dollars earned above \$16,920. In the year you turn 66, until your birthday, your benefit is reduced 1 dollar for every 3 dollars you earn above \$44,800. Note that you don't *lose* the benefit, it's *deferred* - you'd earn credits to potentially increase your age-66 benefit.

...over 11,000 people become eligible for social security every day? No wonder the social security administration is encouraging as many as possible to file online for their benefits.

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