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## Social Security Changes

Two popular Social Security claiming strategies are being curtailed under the recently passed Bipartisan Budget Act of 2015.

A married or divorced person may be entitled to both a spousal benefit and a worker's benefit. Before the change, one could claim a spousal benefit upon reaching full retirement age, while deferring the worker's benefit, which could continue to grow with deferral credits. Then at age 70, one could switch from spousal benefits to worker's benefits. Under the new law, one collects the higher of the two benefits at the time one first files. No switching of benefits is permitted. However there is a grandfathering provision which allows anyone who has reached age 62 by the end of 2015 to use the old rule.

The second change takes away a strategy known as "file and suspend". Suppose Joan is married to Bob and wants to claim a spousal benefit. She cannot claim it unless Bob has also filed for benefits. But suppose Bob wants to wait until age 70 to collect benefits. Under the old law, Bob could "file and suspend", enabling Joan to collect the spousal benefit, but deferring his own benefits until age 70. Under the new law, Joan cannot receive any spousal benefits until Bob actually receives his benefits. This new rule takes effect on May 1, 2016, so anyone age 66 before that date who has not started Social Security benefits should consider "filing and suspending" their worker benefits.