

Social Security Claiming Strategies: A Guide for Widows and Widowers

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If you are widowed, you have some decisions to make when it comes to claiming social security benefits. You may be eligible to claim benefits based upon your own earnings record or that of your deceased spouse.

To qualify for survivor benefits, your deceased spouse must have been “fully insured” under social security regulations at the time of passing. For most, this requires a minimum of 10 years of full-time work covered under social security.

Even if your deceased spouse didn't have the number of credits needed, social security may pay benefits to you and your children if you are caring for minor children under the age of 16.

In addition, you must meet the following qualifications:

- You must have been married at least nine months prior to your spouse's death.
- You must be at least 60 years old. If you are younger than 60, you must be caring for a child younger than 16 or you must be disabled and receiving benefits.
- You must remain unmarried until age 60.

Survivor benefits may represent up to 100 percent of the deceased's social security primary insurance amount, plus any delayed retirement credits. If, however, you claim before your full retirement age (FRA)—as determined by social security rules—the benefit amount may be reduced by up to a maximum of 30 percent.

An Examination of Claiming Strategies

Michelle is 60 and was married to James for many years before he passed away suddenly last year. Both James and Michelle had successful careers with high earnings. Michelle's full benefit at her FRA of 66 will be \$2,000 per month; her late husband, who passed away at his FRA of 66, would have received \$2,400 per month.

Michelle can consider a variety of filing strategies to maximize her social security benefits. To start, Michelle can choose from two relatively straightforward options, both of which would yield different results depending on how old she is when she files for benefits.

Option 1: Claim survivor benefits. Michelle can file now at age 60 and receive a survivor benefit of \$1,716 per month (71.5 percent of the full benefit of \$2,400). If she waits until her FRA of 66, she would receive the full survivor benefit of \$2,400 per month.

Option 2: File for her own benefits. Michelle may claim her own benefit early at age 62 and receive \$1,500 per month. If she waits until age 66, she would receive \$2,000 per month.

The above strategies don't necessarily maximize the amount of money Michelle could receive to support her lifestyle, however. Often, individuals can combine various claiming strategies, filing for benefits at different times and switching between benefits, to receive more income.

Option 1: Worker benefits now and survivor benefits at FRA. Michelle can file at age 62 based upon her earnings record. She would collect \$1,500 until reaching her FRA of 66, at which time she could switch to the survivor benefit and receive \$2,400 per month.

Option 2: Survivor benefits now and worker benefits at age 70. Michelle can file for survivor benefits at age 60 and receive \$1,716 per month. She could delay switching to her own earnings record until age 70. This delay would allow her monthly benefit to accrue delayed retirement credits, which would add 32 percent to her worker benefit. So, instead of collecting \$2,000 per month, her benefit at age 70 would be \$2,640. The above examples assume the widow is not working and thus not subject to the earnings test. If you are still working, some of your benefits may be deferred due to the social security earnings test prior to your FRA.

The optimal strategy for you depends on your personal circumstances. Understanding the options and nuances available can help you make the most appropriate decision.

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