

## HOW TO MAXIMIZE SOCIAL SECURITY WITH SPOUSAL BENEFITS

Understand how Social Security spousal benefits work to make the most of your retirement funds.



By: Rachel Hartman - July 10, 2019

If you are married or were married in the past, you may be eligible for spousal Social Security benefits. “Spouses that raise families and perform other valuable societal tasks are entitled to a spousal benefit based on their spouse’s primary insurance benefit,” says Jamie Hopkins, director of retirement research at Carson Group in Omaha, Nebraska. If you decide to take spousal benefits, the amount you receive will be determined by factors including your spouse’s full benefit, when you begin payments and your own work history.

### Social Security Spousal Benefit Rules

You can expect the following when applying for Social Security spousal benefits:

- You can receive up to 50% of your spouse’s Social Security benefit.
- You can apply for benefits if you have been married for at least one year.
- If you have been divorced for at least two years, you can apply if the marriage lasted 10 or more years.
- Starting benefits early may lead to a reduction in payments.
- If you have a work history, you’ll receive either your benefit or the spousal benefit, whichever is greater.

To make the most of your spousal Social Security benefit, it can be helpful to be aware of the amount you might be eligible for, as well as how the timing of your claim can impact how much you receive.

### Eligibility for Social Security Spousal Benefits

You should be married for at least one year before applying for benefits. “You also need to be at least 62 years old and your worker spouse must have already started to collect benefits,” Hopkins says.

If you are divorced, you must have been in a marriage that lasted at least 10 years to be eligible for

a spousal benefit through your ex-spouse. In addition, you’ll need to have been divorced for at least two years and be currently unmarried. “If you are considering divorce, are near retirement age and are planning on your spousal benefit, consider electing your spousal benefit before your divorce is final,” says Stacy Francis, president and CEO of Francis Financial in New York City.

In cases of multiple marriages and divorces, you can choose to receive whichever spousal benefit is highest, provided the other requirements are met. “Save your ex-spouses’ Social Security numbers and dates of birth to make the enrollment process easier,” Francis says.

If you have a work history, you may be eligible for a personal benefit. In this situation, you can receive your own personal benefit if it is greater than the spousal benefit. So if you are eligible for \$1,000 as a personal benefit and \$500 for a spousal benefit, Social Security will send you the higher amount of \$1,000.

### How Much to Expect for Spousal Social Security Benefits

You can get more information about the spousal Social Security payment amount you can expect to collect at the Social Security Administration website or at your local SSA office. “Your spousal benefit will be 50% of your spouse’s benefit at their full retirement age,” Francis says. Full retirement age is when you are eligible to receive your full benefit. In 2019, the full retirement age is 66 years and is gradually rising to 67 years. If you are married and your spouse begins collecting \$2,000 per month at full retirement age, your spousal benefit will be \$1,000 if you start payments at your full retirement age.

Spousal benefits differ from personal benefits when it comes to delaying payments. If you delay personal benefits past full retirement age, the benefit

increases over time. However, spousal benefits max out at full retirement age. There is no benefit to delaying your spousal benefit claim past your full retirement age.

### Starting Social Security Spousal Payments Early

If you decide to begin collecting spousal benefits before your full retirement age, you can expect to receive a lower amount. “Filing early reduces your income forever,” says Gregory W. Lawrence, a financial planner and founder of the retirement planning firm Lawrence Legacy Group in Estero, Florida. If your full retirement age is 66 and you begin to receive benefits at age 62, you will get 35% of your spouse’s monthly benefit. At the age of 65, you would receive 45.84% of your spouse’s monthly benefit. So if the working spouse is eligible for \$2,000 monthly at full retirement age, the non-working spouse would receive \$700 at age 62 or \$916.80 if payments begin at age 65.

To make the most of your spousal benefit, you’ll want to wait until you reach full retirement age to begin receiving Social Security payments. You can also compare the benefits you are eligible for, such as a personal benefit or an ex-spouse’s spousal benefit, to see which is the highest.

### Exceptions to the Spousal Benefit Reduction for Early Claiming

In some cases, you may be eligible to receive spousal benefits early without reductions. “There are instances when spouses can receive spousal benefits prior to age 62, which is often referred to as child-in-care spousal benefits,” Hopkins says. You will still need to be married for at least one year before applying for benefits. You’ll also have to be caring for a child who is under age 16 or disabled, and who is also receiving child Social Security benefits based on the work record of your spouse. “The working spouse also needs to have filed for his or her own benefits,” Hopkins says.

Gregory Lawrence, founder of Lawrence Legacy Group LLC., is an expert in protecting his client’s wealth. Specializing in Total Financial Planning, Gregory coordinates with other professionals to safeguard against loss risk in an ever-changing stock market. Gregory’s ability to keep his clients’ money safe sets the standard amongst his competitors.



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