

Clearing Up Confusion Over Spousal Benefits

My Comments: As with most Social Security calculations, spousal benefit calculations are confusing, and mistakes are made. My wife and I are an example.

I claimed at my FRA (full retirement age) but my wife, 4 years younger, did not. We're not sure why that happened but for whatever reason, she elected to file at age 65.

The net effect of this was to permanently reduce her benefits, even though we didn't really need the money at the time. Now we are several years down the road, and it would help to have that extra \$XXX per month coming in to offset our higher medical expenses.

By Dana Anspach \ January 27, 2019

Social Security spousal benefits are confusing, and among the most common thing readers ask about.

The most frequent cause for confusion comes from one small difference between benefits for a spouse versus an ex-spouse. Additional confusion comes from trying to decipher what happens with spousal benefits if you claim before versus after full retirement age (FRA).

If you understand these three rules, much of the confusion surrounding spousal benefits is easy to clear up.

1. Spousal Benefits for Spouses Versus Ex-Spouses

To be eligible for a spousal benefit, your spouse must have filed for their own benefits. An ex-spouse is exempt from that rule.

To claim a spousal benefit based on an ex-spouse's earnings record, your ex-spouse has to be 62 and eligible for benefits, but there is no requirement that they must have already filed for benefits.

To claim a spousal benefit based on your current spouse's earnings record, your current spouse must have filed for their own benefits already and you must have been married for at least 9 months or the death was accidental or happened in the line of military duty.

There used to be a strategy for married couples called "file and suspend" where one spouse would file but immediately suspend their benefits, which allowed the other spouse to file for spousal benefits. However, this strategy is no longer available. Due to new Social Security laws that were passed in November 2015 anyone who suspends benefits after April 30, 2016, will end up suspending all benefits based on their record — which means a spouse cannot collect spousal benefits during a time when their spouse has "suspended" benefits.

Bottom line: If you are still married, your spouse must file on their own first to make you eligible for a spousal benefit. If you have an ex-spouse, you were married over 10 years, have been divorced for 2 years, not remarried, and your ex is 62 and eligible for their own benefits, your spouse is not required to file for you to be eligible for a spousal benefit.

2. Deemed Filing Rules

When you file for your Social Security retirement benefits you are deemed to be filing for both your own benefit and a spousal benefit, and you will be given the higher of the two.

If you were born on or before Jan. 1, 1954, and you are full retirement age (FRA) or older, you can specify on your application that it is a restricted application and then you can choose to claim either your own benefit or a spousal benefit.

Widows and widowers can use a restricted application at any time age 60 or older, but if you are not a widow or widower you can only restrict your application if:

- You are at FRA (Full retirement age) or older.
- You were born on or before Jan. 1, 1954 (this rule went into effect Nov. 2, 2015).

Prior to reaching your FRA, you cannot use a restricted application to designate that you wish to file only for a spousal benefit.

If you were born on or before Jan. 1, 1954, once you reach your FRA you can use a restricted application to restrict the scope of your application to spousal benefits only, allowing you to later switch to your own benefit amount.

If you were born on or after Jan. 2, 1954, when you file for benefits you will be deemed to be filing for all benefits you are eligible for. If your spouse has

already filed, you will automatically receive the larger of your own or the spousal benefit.

If your spouse has not filed yet but you have, when your spouse files, the deemed filing rules come into play. At that time, you will be eligible for a spousal benefit, and if it is more than what you are currently getting, Social Security will automatically pay you the extra amount each month.

The confusion comes in when you have a younger spouse (let's say 62) who has filed, and an older spouse (let's say 65) who has not filed yet.

Suppose the younger spouse files at 62. As the older spouse has not filed yet, spousal benefits are not available yet so the younger spouse gets his/her own benefit amount. When the older spouse files for benefits the younger spouse will become eligible for a spousal benefit, but because the younger spouse filed early (before they reached their FRA) the benefit calculation to determine the amount of spousal benefit is a little different. I've heard it called both an "excess spousal" benefit and a "supplemental spousal" benefit.

3. Excess Spousal or Supplemental Spousal Benefit

Normally a spousal benefit is 50% of the spouse's FRA benefit amount, reduced if the spouse claiming the spousal benefit is filing for benefits early. If one spouse is already receiving their own benefits, and later becomes eligible for a spousal benefit, there is a formula that is used to determine what amount of spousal benefit (if any) they may receive.

Let's work through it by expanding upon our example above. The younger spouse claimed at 62. Her primary insurance amount (PIA) was \$800, but because she claimed early she received \$600 per month in benefits. ($\$800 / .75$ represents the reduction she receives for claiming before her FRA.) The older spouse will claim when he turns 66. His primary insurance amount (PIA) is \$2,100.

Take the older spouse's PIA divided by 2, minus the younger spouse's PIA.
 $\$2,100 / 2 = \$1,050 - \$800 = \250 .

When her husband files for benefits and she becomes eligible for a spousal benefit, that \$250 gets added to what she is currently receiving so her monthly benefit will go from \$600 to \$850 at that time.

If she had waited until her own FRA to file benefits, she would have received the full spousal benefit of \$1,050, as that would have been higher than her own FRA benefit amount of \$800. Of course, she would have had to forgo the first four years of benefits to receive the higher amount. In this particular case, it likely made sense for her to file early.

Further Resources

The calculations for spousal benefits are confusing and may require help from Social Security or a third-party expert. If you want to read more about how spousal benefits work, go to these resources on the Social Security website: **Benefits for Spouses**—This page also has a calculator that computes the effect of early retirement.

Benefits Estimator—This page takes you to Social Security's calculators that allow you to get as detailed as you would like to estimate your benefits. Retirement Planner: Benefits for You as a Spouse—A simplified version of the rules regarding spousal benefits.

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