

NAVIGATING YOUR SOCIAL SECURITY BENEFITS

# STRATEGIES FOR WIDOWS & WIDOWERS

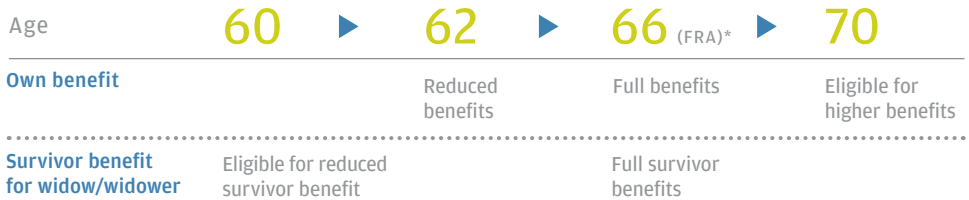
When it comes to navigating Social Security benefits, it's all about timing. This guide will introduce you to a few of the strategies designed to help widowed individuals understand their benefit options. You may wish to discuss strategies, timing and other considerations with your Advisor.

# THE BASICS

Before we get started, here are a few things you should remember:

## ► BENEFITS

### Benefit timeline



\*Full Retirement Age. Age 66 is FRA for those born 1943-1954 for own/spousal benefit and those born 1945-1956 for survivor benefit.

### Survivor benefits

- Survivor benefits are equal to the full amount of the deceased individual's benefit if taken at your FRA.
- Widowed individuals are typically eligible to file for survivor benefits starting at age 60.
- If you are divorced, you may be eligible for survivor benefits from an ex-spouse if you were married at least 10 years under these circumstances:



Not remarried



Remarried before age 60 and second marriage ended in death or divorce



Remarried after age 60

## ► FILING

### Filing early



- If you file for individual or survivor benefits before your full retirement age (FRA), Social Security will permanently reduce those benefits.
- Additionally, filing early will also subject you to the earnings test, which may further reduce your benefits if you are still working and earn more than \$15,480 per year. In most situations, however, once you reach FRA, the Social Security Administration will make an adjustment to give you credit for the benefits that were withheld.

### Filing early and filing for more later



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- Using a restricted application, you may file for survivor benefits before your FRA, while continuing to earn delayed retirement credits on your own record.
- File for your own reduced benefit and your survivor benefit as late as your FRA.

# Profiles & strategies

## ► WIDOW WITH LOWER EARNINGS RECORD

### Profile

Susan is 61 years old and wants to stop working next year. Her husband, Bob, passed away 2 years ago. Susan works, but Bob earned significantly more over his lifetime.

### Strategy & benefits



A combination of early filing and delaying her survivor benefits can enable Susan to receive a smaller benefit now and then switch to the higher survivor benefits later. This way, she can maximize her benefits by age 66.

### How it works

1. At 62, Susan files for her individual benefits.
2. At full retirement age (66), she files for her survivor benefits.

### Considerations

- If Susan does decide to keep working while she collects her benefits before her full retirement age, she will be subject to the earnings test, which may further reduce her individual benefit.

Age	62	▶	66 (FRA)*	▶	70
Susan	Collect Own Benefit		Collect Survivor Benefit		

\*Age 66 is FRA for those born 1943-1954 for own/spousal benefit and those born 1945-1956 for survivor benefit.

## ► WIDOW WITH HIGHER EARNINGS RECORD

### Profile

Carol is 59 years old. Her husband, Ted, passed away this year. Carol earned significantly more than Ted and has saved a fair amount of money. She wants to spend more time with her children and would like to only work part time going forward.

### Strategy & benefits



A restricted application for a survivor benefit strategy enables Carol to claim her survivor benefits at age 60, and allows her to earn delayed retirement credits on her own record.

### How it works

1. At age 60, Carol files a restricted application for her survivor benefits.
2. At age 70, she files for her higher individual benefit.

### Considerations

- If Carol simply files for her survivor benefit without using a restricted application, Social Security will assume she is filing for all benefits for which she is eligible (including her own) and will reduce all her benefits permanently.
- Prior to age 66, Carol will be subject to the earnings test, so depending on how much she earns from employment income before her full retirement age, her survivor benefits may be further reduced.

Age	60	▶	62	▶	66 (FRA)*	▶	70
Carol	Collect Survivor Benefit						Collect Own Higher Benefit

\*Age 66 is FRA for those born 1943-1954 for own/spousal benefit and those born 1945-1956 for survivor benefit.

# Plan for Social Security now

Social Security is complex and timing is everything. As you work together with your Advisor to develop your retirement income plan, be sure to include when—and how—to elect Social Security.

## ► LEARN MORE ABOUT SOCIAL SECURITY

### Consult your Advisor

Work together to develop your retirement income plan, including when and how you will claim Social Security.



### Visit [www.ssa.gov](http://www.ssa.gov)

The Social Security Administration provides more information about Social Security and your options.

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Source for Social Security facts: Social Security Administration, [www.ssa.gov](http://www.ssa.gov), as of August 2014; source for case studies: J.P. Morgan Asset Management.

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