

Social Security Spousal Benefits FAQ


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Deciding when to claim Social Security benefits may be one of the most important decisions you make as you plan for retirement. If you are married, the decision becomes more complicated, as you need to coordinate with your spouse in order to maximize your benefits. As you read this piece, discuss the various options with your spouse and talk with your financial advisor about the role of Social Security in your retirement income plans.

Overview

What are the requirements to receive a spousal benefit?

- You are eligible for a spousal benefit even if you never worked.
- You must be age 62 or older and have been married to your current spouse for at least one year.
- Your spouse must be receiving their retirement or disability benefit
- If you worked, your spousal benefit at Full Retirement Age (FRA) must be greater than your retirement benefit at FRA.

SPOUSAL BENEFITS

Minimum benefit	32.5%–35% at age 62
Maximum benefit	50% of your spouse's retirement benefit at his or her Full Retirement Age (FRA)
Your spouse claims their retirement benefit before Full Retirement Age	<ul style="list-style-type: none"> ■ Does not reduce spousal benefit
Your spouse claims their retirement benefit after Full Retirement Age	<ul style="list-style-type: none"> ■ Does not increase spousal benefit
You claim your retirement benefit before Full Retirement Age	<ul style="list-style-type: none"> ■ Reduces spousal benefit
Requirements for Spousal Switch-Up	<ol style="list-style-type: none"> 1) You must be born on or before January 1, 1954 2) You must be age 66 or older when you apply for any benefit. 3) Your spouse must be receiving their retirement or disability benefit.

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Calculating spousal benefits

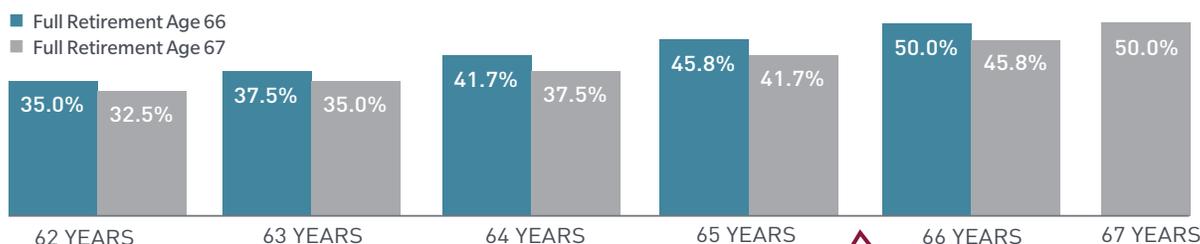
What are the requirements to receive a spousal benefit?

In order to receive a spousal benefit your spouse must be receiving their retirement or disability benefit and you must be age 62 or older. If both spouses worked, Social Security will usually pay you the higher of your retirement benefit or the spousal benefit.¹

How much can I receive as a spousal benefit?

It depends on your age when you apply. The minimum spousal benefit is 32.5%–35% if you claim at age 62; the maximum spousal benefit is 50% if you claim at your Full Retirement Age (FRA). If you receive a spousal benefit before you reach FRA, it will be reduced and will not increase when you reach FRA.

Spousal percentages by age



FRA for spousal benefits is age 66 for anyone born 1943 to 1954. It increases by two months for every year from 1955 to 1959. FRA is age 67 for anyone born in 1960 or later.

Will my spouse's retirement benefit be reduced if I receive a spousal benefit?

No. If you receive a spousal benefit, it will not reduce your spouse's retirement benefit.

How are spousal benefits calculated?

The percentage you receive as a spousal benefit is based on your spouse's benefit at their FRA, regardless if your spouse claimed before, at, or after their FRA.

Hypothetical example

	CHRIS CLAIMS AT 62 RECEIVES \$750	CHRIS CLAIMS AT 66 RECEIVES \$1000	CHRIS CLAIMS AT 70 RECEIVES \$1,320
Drew's spousal benefit at 62 ²	\$350	\$350	\$350
Drew's spousal benefit at 66 ³	\$500	\$500	\$500

For illustrative purposes only. Assumes a Full Retirement Age (FRA) of 66. Calculations may vary if your FRA is different.

In this hypothetical example, Chris' monthly retirement benefit at age 66 (his FRA as defined by the SSA) would be \$1,000. If he claimed at age 62, his monthly benefit would be \$750. If Chris claimed at age 70, however, his monthly benefit would be \$1,320. The maximum spousal benefit to Drew, if she claimed at age 66 (her FRA), would be \$500 per month — regardless of whether Chris applies for his retirement benefit at age 62, 66 or 70. Drew's minimum spousal benefit if she claimed at age 62 would be \$350 per month.

Can I receive the maximum survivors benefit even if I receive a reduced spousal or retirement benefit?

Yes, even if you are receiving a reduced spousal or retirement benefit, you are still eligible for the maximum survivors benefit if you are FRA or older when you apply for the survivors benefit. Please refer to the MFS "Social Security Benefits for Widows and Widowers" FAQ for more information.

¹ An exception may apply if you were born on or before 1/1/1954. See page 4 for more information.

² 35% of Chris' retirement benefit at Chris' age 66.

³ 50% of Chris' retirement benefit at Chris' age 66.

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Both spouses worked: Coordinating spousal and retirement benefits

HAS YOUR SPOUSE APPLIED FOR THEIR RETIREMENT BENEFIT?		
YES	<ul style="list-style-type: none"> You receive the greater of your retirement or spousal benefit 	Exception: If you were born on or before 1/1/1954, you may be eligible for restricted application.
NO	<ul style="list-style-type: none"> Start with your retirement benefit When your spouse applies: May step up to spousal (if greater) 	If you receive a reduced retirement benefit, your spousal benefit is also reduced. ⁴

If both my spouse and I worked and paid into Social Security, how can I estimate if I will receive a spousal or retirement benefit?

The SSA compares your retirement benefit at your FRA to the maximum spousal benefit off your spouse. The maximum spousal benefit is 50% of your spouse’s retirement benefit at their FRA.

- If your retirement benefit at your FRA is greater than or equal to the maximum spousal benefit, you will not receive a spousal benefit regardless of the age when you or your spouse claims.
- If your retirement benefit is less than the spousal benefit, you may be eligible for the higher spousal benefit.⁴

Can I choose to start with one benefit and then switch to the other?

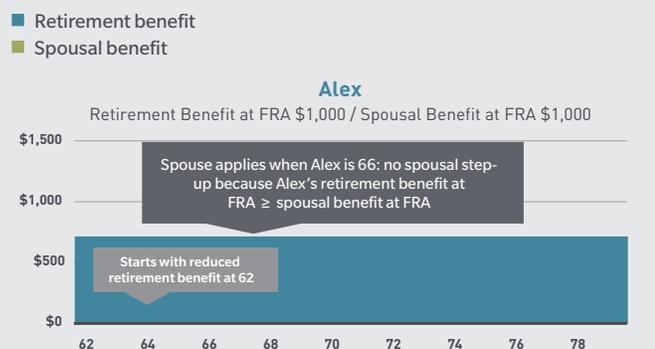
Most people can not pick and choose which benefit they will receive. For most people, when they apply, the SSA will give them the highest benefit that they are eligible for at that time. If your spouse is already receiving their retirement benefit, the SSA will check your retirement benefit against the spousal benefit and give you the higher of the two benefits.⁵ If your spouse is not receiving their retirement benefit, your only option is to initially receive your retirement benefit.

Can I receive a spousal benefit if my spouse is not receiving their retirement or disability benefit?

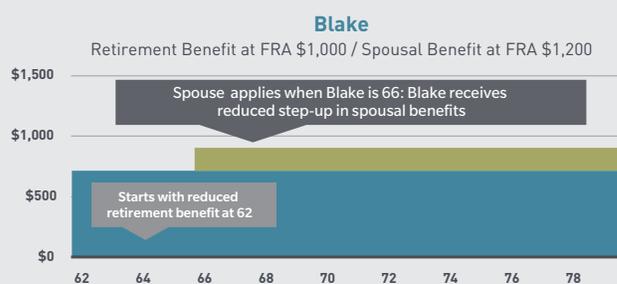
No. Your spouse must be receiving their retirement benefit in order for you to be eligible for a spousal benefit. If your spouse is not receiving their retirement benefit, your only option is to start with your retirement benefit. Then when your spouse applies, a step-up based on the spousal benefit may be available. However, if you claim your retirement benefit before Full Retirement Age, you may not be eligible to step up to the maximum spousal amount.⁴

CASE STUDY

Alex and Blake are best friends, age 62, and retired. They want to know what they would receive if they apply for Social Security now, and then when each of their spouse applies. Alex and Blake will be age 66, when their spouses apply.



Alex applies at 62. Because Alex’s spouse has not applied, Alex’s only option is to receive a reduced retirement benefit. When Alex’s spouse applies, Alex will not receive a higher benefit. This is because Alex’s retirement benefit at FRA (\$1000) is equal to or greater than the spousal benefit at FRA (\$1000). Regardless of when Alex or the spouse claims Social Security, Alex will not receive a spousal benefit.



Blake also applies at 62. Because Blake’s spouse has not applied, Blake’s only option is to receive a reduced retirement benefit. When Blake’s spouse applies, Blake now becomes eligible for spousal benefits. This is because Blake’s spousal benefit at FRA (\$1200) is greater than Blake’s retirement benefit at FRA (\$1000). However, because Blake applied for Social Security retirement benefits before FRA, Blake will not step up to \$1200.⁶

⁴ Technically, the Social Security Administration pays out your retirement benefit first. Then they add on an excess spousal benefit, which is the difference between the spousal benefit at FRA and the retirement benefit at FRA. If you took your reduced retirement first while waiting for your spouse to apply, when you add the excess spousal benefit later, your own retirement portion remains reduced, which causes the retirement and excess spousal benefit together to total less than 50% of your spouse’s FRA benefit.

⁵ There may be an exception if you were born on or before 1/1/1954. See next page.

⁶ In this scenario, the excess spousal benefit (see footnote 4) is \$200 (\$1200 spousal–\$1000 retirement benefit at FRA). This is further reduced because Blake’s FRA is 66 years and 8 months, but Blake is 66 years and 0 months when the spouse applies for their retirement benefit.

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Can I start with my spousal benefit and then switch to my retirement benefit?

Generally, no. The SSA will usually give you the greater of your retirement or spousal benefit.

However, if you were born on or before January 1, 1954, you may be eligible to start with the spousal benefit and switch to your retirement benefit later on. Your retirement benefit continues to accrue in value until age 70, and you may switch to your retirement benefit at any time.

To be eligible for this strategy, the following conditions must be met:

- 1) You were born on or before January 1, 1954.
- 2) You are age 66 or older when you apply for any benefit.
- 3) Your spouse is receiving their retirement or disability benefits.

Working and receiving a spousal benefit

Can I receive a spousal benefit if I worked?

Yes. If you worked and paid into Social Security, you generally receive the greater of your retirement or spousal benefits.⁷ Please see the previous section for more information.

Can I receive a spousal benefit if I never worked?

Yes, you can receive a spousal benefit if you never worked. Your spouse must be receiving their retirement or disability benefit and you must be age 62 or older.

Can I work and receive a spousal benefit at the same time?

Yes, but if you are under FRA and your earnings after you apply for Social Security are greater than \$18,240 in 2020 (\$1,520 per month if this is your first year of receiving Social Security), your Social Security benefit (including spousal and retirement) may be partially or fully withheld.⁸ Once you reach FRA, you can earn as much as you want and your Social Security benefits will not be withheld.

Can I receive a spousal benefit if I worked in a government position that did not pay into Social Security?

Perhaps. If you worked in a government position that did not pay into Social Security, your spousal benefit will be reduced by two-thirds of your government pension. Please refer to the SSA publication "Government Pension Offset" for more information.

You may be able to start with your spousal benefit even if your spouse is receiving a reduced retirement benefit. The age 66 and birth date requirements are only for the spouse who could start with the spousal benefit and then switch to their retirement benefit.

This strategy is known as restricted application because you are initially restricting your application to your spousal benefit. If you are interested in restricted application, please ask the SSA for information on how to restrict the scope of your application to spousal benefits only. If you do not restrict the scope of your application, the SSA will give you the greater of your retirement or spousal benefits.

Work and Social Security earnings test

AGE	2020 EARNINGS LIMITS	WITHHOLDING
Through the year before turning Full Retirement Age	\$18,240 (\$1,520 per month)**	Withheld by \$1 for every \$2 of earnings above the limit
In year of turning Full Retirement Age	\$48,600 (\$4,050 per month)**	Withheld by \$1 for every \$3 of earnings above the limit

* Earnings test applies to any benefit (retirement, spousal) received before FRA. If married, the earnings test applies only to spouse(s) receiving Social Security benefit.

**Special earnings monthly limit may apply the first calendar year.

⁷ Technically, if you qualify for your own retirement benefits and your benefits as a spouse, the SSA pays your own retirement benefit first. If your benefits as a spouse are greater than your own benefits, you will get a combination of benefits equaling the greater spousal benefit.

⁸ \$48,600 if you turn 66 this year. Earnings limit applies only to earnings received after you start Social Security.

For more information and answers to your questions about Social Security benefits, visit www.ssa.gov.

For help determining what role Social Security benefits will play in your financial future, work closely with your financial professional. They will provide the perspective you need to help you build and maintain a retirement strategy that may work best for you.

For informational use only. MFS does not provide tax, legal, retirement or Social Security advice. Contact the Social Security Administration at 1-800-772-1213 or go to www.ssa.gov to determine the benefits that may be available to you and your spouse.