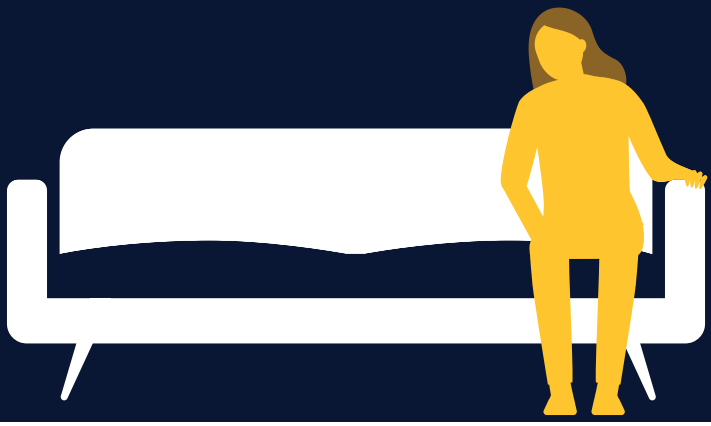
What a surviving spouse should know before claiming Social Security benefits



Make Your Plan
May 2024

Key Insights

- Knowing when and how to coordinate the claiming of survivor benefits and retirement benefits after the death of the first spouse is crucial for maximizing the survivor's lifetime benefits.
- The amount of survivor benefits depends on various factors such as the deceased's earnings record, age at death, whether benefits had started, and the survivor's age when claiming.
- In general, in order to qualify for survivor benefits, the couple must have been married for at least nine months prior to the first spouse's passing, and the survivor must remain unmarried through age 60.

Eligibility for survivor benefits

Survivor benefits can be confusing, but knowing how they work can help a widow(er) maximize lifetime Social Security benefits available upon the loss of their spouse.

In general, as long as the surviving spouse had been married to the deceased for at least nine months prior to death, they will qualify for survivor benefits. The surviving spouse can claim survivor benefits as early as age 60, or age 50 if they have been declared by the Social Security Administration to be disabled.

Remarrying prior to age 60 makes the surviving spouse ineligible for survivor benefits based on the deceased spouse's earnings record. If they remarry after age 60, in most circumstances, the survivor will still be eligible for survivor benefits based on the deceased spouse's earnings record. If remarried, the survivor will be eligible for spousal benefits based on their new spouse's record, but not until they've been married for one year or more. Keep in mind that individuals can collect only one set of benefits at a time: their own retirement benefits, their survivor benefits (on their deceased spouse), or their spousal benefits (on their living spouse).

Applying for survivor benefits

In order to receive survivor benefits, you'll need to contact the Social Security Administration. Be sure to have the following information available:

- Proof of death—either from a funeral home or death certificate
- Your Social Security number, as well as your deceased spouse's
- Your birth certificate

- Your marriage certificate
- Your deceased spouse's W-2 forms or federal self-employment tax return for the most recent year;
- The name of your bank and your account number, so your benefits can be deposited directly into your account

At that time, you can and should request the one-time death benefit of $255. While it's not much, you're entitled to it, so make sure you get it.

How survivor benefits are calculated

As a surviving spouse, the size of your survivor benefits depends on a number of factors, including:

The deceased spouse's earnings

The amount of your survivor benefit depends, in part, on the lifetime earnings record (highest 35 years) of your deceased spouse. The higher their earnings, the greater your survivor benefits could be. Your deceased spouse's Primary Insurance Amount (i.e., their retirement benefits if claimed at their full retirement age (FRA)) serves as the basis by which your survivor benefits will be calculated. It is adjusted depending on the other factors below.

The deceased spouse's age at death

The age at which your spouse passed away can be an important factor in determining the amount of your survivor benefits. If your spouse died after their FRA, your survivor benefits may be greater than if they had died prior to reaching FRA.

Whether your deceased spouse had claimed benefits

If your spouse passed away before claiming their retirement benefits, your survivor benefits may be greater. However, if your spouse had initiated retirement benefits early—say, at age 62—the maximum survivor benefits you can receive will be lower than if they had claimed these benefits later or had not claimed them.

Your age when you claim survivor benefits

The survivor benefits you receive will depend partially on your own age when you claim these benefits. While there is an FRA for retirement and spousal benefits, for people born between 1955 and 1961, there is a separate FRA for survivor benefits (which we'll call FRAsurv). For the people born in those years, the FRAsurv is either two or four months earlier than their FRA for retirement benefits. If you claim survivor benefits prior to reaching your FRAsurv, these benefits to which you are entitled will be reduced.

When to claim survivor benefits

Sometimes your claiming decision (as the surviving spouse) is made for you. If you had both already claimed your retirement benefits and are over age 70 when the first spouse passes away, you will continue to receive the larger of the two benefits for the rest of your life (though the smaller benefit will go away).

If you are under age 70 when your spouse passes away and you have not started collecting your own retirement benefits, you can claim survivor benefits (as early as age 60) and delay applying for your own retirement benefits until age 70. Provided your retirement benefits at age 70 would exceed your maximum survivor benefits (which cannot grow after you reach FRAsurv) and you don't expect to live an unusually short life, this claiming strategy would help you to maximize lifetime benefits.

Now, suppose your maximum survivor benefits exceed your maximum retirement benefits at age 70. In this case, if you are younger than FRAsurv upon your spouse's passing, it is usually advantageous to claim your own reduced retirement benefits (as early as age 62) and then switch to the higher survivor benefits at FRAsurv. If you are at least FRAsurv when your spouse passes away, then you should claim survivor benefits immediately (since this is the maximum lifetime benefit for which you are eligible).

As a surviving spouse, in order to maximize lifetime benefits, you may need to settle on the smaller of two benefits initially—to allow the larger of those benefits (your own retirement benefits at age 70 or your maximum survivor benefits at FRASurv) to grow. Though this will mean lower income in the short term, it will mean greater lifestyle protection (and income) throughout retirement.

Another important consideration: If you are still working, earning substantial income, and younger than your own FRA, you might consider holding off on collecting retirement or survivor benefits until you stop working or reach FRA. Once you reach FRA, the annual Earnings Test (over which some or all benefits are withheld) will no longer apply.

Of course, if your spouse passes away early and you require income, you may need to claim the greatest monthly benefit available to you immediately. This can mean settling on a strategy that doesn't allow for the larger benefit to grow, which is OK. But when possible and if income isn't immediately needed, carefully coordinating the claiming of retirement and survivor benefits can prove worth the sacrifice in the long run. When making the survivor/retirement benefit claiming decision, ask yourself:

- How much income do I need and when?
- What is the maximum survivor benefit I can receive, and when can I receive it?

- What is the maximum retirement benefit I could receive based on my own earning record at age 70?
- How do those maximum benefits compare? Could I claim the lower benefit early in order to allow the larger one to grow?
- How might my work plans affect my claiming strategy? Can I work longer to allow for the highest possible retirement and/or survivor benefit options?
- Do I have other assets (such as investments or life insurance proceeds) that I can use in order to delay claiming and thus maximize my monthly retirement or survivor benefits?

All of these are important factors for determining when and how to claim a survivor benefit. Social Security claiming strategies can be complex, with lots of variables and options to consider. You may want to consider working with a professional to evaluate your strategies and have confidence in your decision.

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