Claiming Social Security
Part Two—Claiming if Widowed or Divorced

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Last quarter, we reviewed Social Security basics and how single and married people should strategize claiming benefits. This quarter, we'll review options for the widowed and divorced, who have more factors to consider.

First, a fast overview of the basics: the key number in claiming Social Security is your Primary Insurance Amount (PIA), your benefit at Full Retirement Age (FRA). Depending on your birth year, your FRA is from 66 to 67—anyone born after 1959 has an FRA of 67. You can determine all this and more by creating an account at ssa.gov and reviewing your projected benefits.

The married and formerly married may also qualify for the spousal benefit. If the lower-earning spouse's PIA is less than half the higher earning spouse's, the lower earning spouse can receive half of the higher earning spouse's PIA, with some conditions.

Let's return to last quarter's example of Lee and Jody, where Lee remained in the workforce throughout the marriage while Jody stepped back to raise their children and then worked part time. We'll use them to work through various scenarios.

Spouse	Benefit at Age 62	Benefit at FRA	Benefit at Age 70
Lee	$2,368	$3,200	$4,020
Jody	$1,050	$1,400	$1,750

<u>Death Part One: Already Claiming</u>. If either of Lee or Jody passes away while both are claiming Social Security benefits, the survivor gets the higher of the benefits. The lower benefit drops off. Thus, the longer the higher-earning spouse waits to claim, the better for the couple as a unit. That higher benefit will continue until the second death. One caveat here: Lee and Jody must have been married at least nine months before the first death for the survivor to claim benefits.

Typically, the funeral director notifies Social Security about the first spouse's death, so the adjustment comes through right away. Also of note: assume Lee died first, with Jody taking over the larger benefit. If Jody remarries after age 60, Jody continues taking that higher benefit, instead of taking the lower spousal benefit based on the new spouse's earnings history. Further, if Jody is then widowed a second time, Jody can choose the larger of the two deceased spouse's benefits as survivor.

Birth Year	Own Full Retirement Age	Survivor Full Retirement Age
1950-1954	66	66
1955	66 years, 2 months	66
1956	66 years, 4 months	66
1957	66 years, 6 months	66 years, 2 months
1958	66 years, 8 months	66 years, 4 months
1959	66 years, 10 months	66 years, 6 months
1960	67	66 years, 8 months
1961	67	66 years, 10 months
1962 & Later	67	67

Death Part Two: Not Yet Claiming. A widowed person has choices beginning at age 60, and they are complicated. Here, the person's own benefit and the person's survivor benefit are calculated differently, and the surviving spouse can pick and choose which benefit to receive.

If the deceased spouse had taken benefits early, that benefit becomes the survivor's benefit. Otherwise, the maximum survivor's benefit is the deceased spouse's PIA. The survivor may have a different FRA for the survivor benefit than for his or her own benefit, as follows:

The survivor can claim the survivor benefit as early as age 60 (rather than 62 for own benefit). There is a six percent annual reduction in the survivor benefit if taken early. Further, if the survivor is working, earnings above $18,960 (for 2021—that number is inflation adjusted annually) are reduced by $1 for every $2 in excess earnings.

Let's see how this plays out with Lee and Jody. If Lee dies before claiming Social Security and had not yet reached FRA, then Jody can claim early on own earnings and switch to the survivor benefit at Survivor FRA. This maximizes Jody's lifetime benefits.

Conversely, if Jody dies before claiming benefits, Lee can claim the survivor benefit first and switch to own benefit at age 70. This maximizes Lee's lifetime benefits.

Divorce

Benefits for divorced persons resemble those of the married and the widowed, with a few tweaks. The basic rule, just like that for a married couple, is if the lower-earning divorced spouse's PIA is less than half the higher-earning divorced spouse's, the lower earning spouse is entitled to receive the spousal benefit.

For a divorced person to be eligible for that spousal benefit, the marriage must have lasted at least ten consecutive years. One former spouse's ability to claim on the other's record is independent of the other spouse. The higher earning spouse need not be aware of the lower earning spouse's claim. Further, one oft-married high earning worker can generate benefits for multiple ex-spouses, so long as each marriage lasted at least ten years. Remarriage after divorce terminates the ability to claim on an ex-spouse's earnings.

There are a few more rules specific to a divorced spouse claiming the spousal benefit. Both parties must be at least age 62. Either the divorce must have been finalized for at least two years or the higher-earning spouse must already be claiming. Finally, the lower earning spouse can claim a spousal benefit regardless of whether the higher earning spouse is claiming, and the spousal benefit maximizes at the lower earning spouse's FRA.

Assume Jody, the lower-earning former spouse, would like to apply for Social Security. The basic rule for a person's own benefit or the spousal benefit is that you are deemed to apply for the highest benefit for which you are currently eligible. Because Jody and Lee are divorced, Jody does not need to wait for Lee to claim in order to receive the spousal benefit. As is the case with any other claimant, working and claiming before FRA can reduce the benefit. Also like married couples, if Jody claims the spousal benefit early, that benefit may be permanently reduced.

The divorced are also eligible for survivor benefits, the same way married couples are. The one caveat here is the surviving former spouse should contact Social Security directly, to ensure those survivor benefits are paid.