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PLANNING TO COLLECT SOCIAL SECURITY BEFORE MAY 1, 2016? **By: HELEN FLOROS, CPA**

On November 2, 2015 the Bipartisan Budget Act of 2015 was signed into law. This included changes to popular Social Security spousal-claiming options for retirees by phasing out Voluntary Suspension (file and suspend) and Restricted Applications (file for spousal benefit instead of your own, allowing yours to grow). These options were available to those individuals who delayed claiming Social Security past Full Retirement Age (FRA) to allow benefits to grow.

BEFORE: An individual who had reached FRA (66 years old in 2015) could file for benefits and later suspend them in order to trigger benefits for a spouse or dependent child while their own retirement benefit continued to accumulate Delayed Retirement Credits at a rate of 8%/year up to age 70. The Act eliminates the “file and suspend” option beginning 180 days after enactment (approximately May 1, 2016). Individuals who suspended benefits in the past or do so before May 1, 2016 will be “grandfathered” under the old rules.

NOW: Suspending one’s benefit now also suspends the spousal benefit. In addition, under the Restricted Spousal Application, Congress has eliminated the ability to choose which benefit you receive if you delay past FRA.

For eligible people these strategies could be considered up until May 1, 2016. Who should consider this? People who turn 66 before May 1, 2016 with both spouses in good health and that expect to live well past age 70, as well as being able to afford to delay Social Security benefits, may be good candidates to utilize these options before they expire.