
SOCIAL SECURITY EX-SPOUSAL BENEFITS: WHAT'S THE BEST STRATEGY? Charles Schwab

Key Points

- Your age, the length of your marriage and your current marital status all determine whether you qualify for an ex-spousal benefit.
- A change in Social Security rules regarding a restricted application also applies to ex-spouse benefits for anyone born on or after January 2, 1954.
- Filing before your full retirement age can significantly reduce both your options and your benefits.

Dear Carrie,

I'm 64 and recently divorced. I'm considering collecting Social Security on my ex-husband's record. I understand there have been some changes in Social Security regulations that might affect my choices. Assuming I can collect ex-spouse benefits, what's the best way to maximize what I get? —A Reader

Dear Reader,

You've probably heard about recent Social Security changes that impact certain strategies couples have used to collect maximum benefits. And you're correct that one of these changes concerning what's known as a "restricted application" does apply to ex-spouse benefits depending on your age. But the good news is that the basic qualifications for ex-spouse benefits remain the same.

Perhaps even better news, depending on your circumstances, is that your ex-husband doesn't even have to be involved. He just has to be eligible for benefits, meaning he has to be at least 62 years old. And for the record, what you collect on your ex's record has no effect on what anyone else can collect.

So let's review the basics first to be sure you qualify. Then we'll talk about how to help maximize your benefits.

The basic qualifications

Your age, the length of your marriage and your current marital status all determine whether you qualify for an ex-spousal benefit. In a nutshell:

- You must be at least 62 years old.
- You must have been married for a minimum of 10 years.
- If your ex hasn't yet filed for benefits but is eligible, you must have been divorced for two years.
- You must be currently unmarried.
- If you did remarry, that marriage must have ended.
- If you're under your full retirement age (FRA), the benefit based on your own work record must be less than the spousal benefit from your ex.
- If you have more than one ex-spouse (each with a minimum 10-year marriage), you can collect on either spouse's record, but not both.

The importance of timing

If you meet the basic qualifications, the next thing to consider is when to file. And this is where it can get more complicated because, as with any Social Security benefits, filing for ex-spousal benefits before you reach FRA (66 for those born between 1943 and 1954) means you'll get a smaller check.

When looking at the numbers, first realize that a spousal benefit, whether you're married or divorced, is at most 50 percent of the spouse's FRA benefit. So even if your ex were entitled to the current maximum benefit at FRA of \$2,687, your maximum ex-spousal benefit if you filed at age 66 would be \$1,343.50.

Now consider that filing early reduces that amount even more—between 6 ½ and 7 ½ percent for each year leading up to your FRA. So even filing at age 64 could mean a significant financial hit in the long term.

You might be thinking that you could file for benefits on your ex-husband's record now, even if they're reduced, and then switch to your own benefit later. That has never been an option when filing early, and it's currently a limited option when filing at FRA. In general, whenever you file, your benefit is calculated as the greater of *either* your own benefit *or* the spousal benefit (you don't get both). When you file early, either of those amounts would be reduced accordingly. And those reductions are permanent.

An exception if you were born *before* January 2, 1954

For many years a married—or divorced—person at full retirement age could collect a benefit based on their spouse's work record while letting their own benefit continue to grow. So in the past, one could file for a spousal or ex-spouse benefit only (a restricted application) and then switch to their own increased benefit at a later date. Not any more—with one exception.

A person like you, who was born before January 2, 1954, can still choose to receive a divorced spouse's benefit at FRA, and delay receiving their own retirement benefit up to age 70. That could mean a significant (8 percent per year!) increase. Unfortunately, for those whose birthday is January 2, 1954 or later, that option no longer exists.

A word about survivor's benefits

While you may not be thinking about this now, it's good to be aware that an ex-spouse is also eligible for survivor's benefits, although the rules change a bit. If you're 60 years old and you were married for 10 years or longer, you're entitled to 100% of your deceased ex-spouse's Social Security payout, the same as a widow or widower (note, however, that your benefit will be reduced for every year you file prior to your FRA).

The rules regarding marital status are different in this case, as well. You can be married and still collect survivor benefits on your ex as long as you didn't remarry until age 60.

Your choices now—or later

What you decide will depend on your economic circumstances, as would be the case if you were deciding when to file for your own benefit. If you really need the money now, taking benefits early might be an appropriate choice. But if you can afford it, since you still have the possibility of filing a restricted application, waiting until 66 could be the smartest way to increase your options and your benefits.

Of course, you'll also want to consider your health, family longevity and overall retirement plan before making a decision. If you want more information, [ssa.gov](https://www.ssa.gov) does a pretty good job of explaining your choices. And it's always a good idea to check in with your financial advisor.