

# Social Security strategies grandfathered for existing claimants

File and suspend available for six more months

By **Mary Beth Franklin** | *October 29, 2015 - 1:19 pm EST*

The window is closing on exercising creative claiming strategies to maximize Social Security benefits, but retirees who are already receiving benefits are grandfathered in under the old rules.

“This amendment grandfathers in anyone who is already using the claim-and-suspend filing option as well as those who request it between now and the next six months,” said Web Phillips, senior legislative counsel at the National Committee to Preserve Social Security and Medicare.

In addition, anyone who is 62 or older by the end of 2015 will retain the right to collect just spousal benefits starting at their full retirement age of 66, assuming their spouse has already claimed retirement benefits or had

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requested to file and suspend their benefits within six months after enactment of the law.

Future retirees who are younger than 62 – those born in 1954 or later – are out of luck. The rules regarding “file and suspend” will change beginning six months after legislation is enacted. After that, anyone who files and suspends will no longer be able to trigger benefits for a spouse or dependent child, nor would they be able to request a lump sum of suspended benefits. No one will be able to collect benefits on his or her Social Security record until the primary beneficiary actually begins receiving benefits.

In addition, anyone younger than 62 by the end of 2015 will not have the option of collecting spousal benefits early. If they are entitled to two Social Security benefits – on their own record and as a spouse – they will be required to file for all benefits at once and will be able to collect on the higher amount. They will not be able to claim a spousal benefit first as under current law and then switch to their own retirement benefit at age 70.

*Divorce affected*

The same rule will apply to divorced spouses. If they are 62 or older by the end of this year, they will still be able to claim spousal benefits on their ex's earnings record. Younger divorced spouses will not have that option.

Widows and widowers will retain the right to decide when to collect a survivor benefit and a retirement benefit. “Widows and widowers will continue to have a broad set of filing options,” said Mr. Phillips. “And that applies to surviving divorced spouses as well.”

The amendment to close “unintended loopholes” in the Social Security Act is part of a larger budget deal to keep the federal government running for the next two years. The inclusion of new limits on two key filing strategies – file and suspend and filing a restricted claim for spousal benefits – was the result of secret backroom budget negotiations between congressional leaders and the Obama administration.

The move came as a complete surprise. There were no public hearings on the issue, nor was any legislation introduced. The House passed the budget legislation 222-167 on Wednesday. The measure is now before the Senate. Despite threats from Sen. Rand Paul, R-Ky., to filibuster the bill, the legislation is likely to pass and President Obama is expected to sign it soon afterwards before the nation's borrowing authority known as the debt ceiling expires on Nov. 3.

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