

# What You Need to Know About the New Laws for Claiming Retirement Benefits

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Have you heard that some of Social Security's rules about claiming benefits are changing? Well, it's true. The Bipartisan Budget Act that passed last November closed two complex loopholes that were used primarily by married couples. We want you to know why this happened, how it might affect you, and what you should do next.

But first, don't forget that one of the best ways to increase your Social Security retirement benefit is to delay claiming it between ages 62 and 70. Each month you delay results in a higher monthly benefit for the rest of your life. The new law doesn't change this.

The new law closes loopholes that allowed some married couples to receive higher benefits than intended. Only a small fraction of retirees used these loopholes. Closing them helps restore fairness and strengthens Social Security's long-term financing.

So what's changing with the new rules?

- First, if you are eligible for benefits both as a retiree and as a spouse (or divorced spouse), you must start both benefits at the same time. This "deemed filing" used to apply only before the full retirement age, which is currently 66. Now it applies at any age up to 70, if you turned 62 after January 1, 2016.
- Second, if you take your retirement benefit and then ask (on or after April 30, 2016) to suspend it to earn delayed retirement credits, your spouse or dependents generally won't be able to receive benefits on your Social Security record during the suspension. You also won't be able to receive spouse benefits on anyone else's record during that time.

For more information about these changes in the law, please visit [Recent Social Security Claiming Changes](#) and [Retirement Planner](#).

## Timing of Multiple Benefits (also called "Deemed Filing")

**What was the loophole?** The law provides incentives to delay claiming retirement benefits: monthly benefits grow larger for each month you delay receiving retirement benefits between full retirement age (currently 66) and 70. The loophole allowed some married individuals to start receiving spousal benefits at full retirement age, while letting their own retirement benefit grow by delaying it.

**How is the law changing?** Under existing law, if you are eligible for benefits both as a retired worker and as a spouse (or divorced spouse) in the first month you want your benefits to begin and are not yet full retirement age, you must apply for both benefits. You will receive the higher of the two benefits. This requirement is called “deemed filing” because when you apply for one benefit you are “deemed” to have also applied for the other.

Under the new law deemed filing is extended to apply to those at full retirement age and beyond. In addition, deemed filing may occur in any month after becoming entitled to retirement benefits. For example, if you begin receiving your retirement benefit and only later become eligible for a spousal benefit (or vice versa), you will be “deemed” to have applied for the second benefit as soon as you are eligible for it. Your monthly payment will be the higher of the two benefit amounts.

**What is the rationale for this change?** Historically, spousal benefits were designed to be paid only to the extent they exceeded any benefit the spouse earned based on his or her own work record. This change in the law preserves the fairness of the incentives to delay, but it means that you cannot receive one type of benefit while at the same time earning a bonus for delaying the other benefit.

**Who will be affected?** If you turn 62 on or after January 2, 2016, and will be eligible for benefits both as a retired worker and as a spouse (or divorced spouse), then the new law applies to you. Deemed filing applies to retirement benefits, not to survivor’s benefits. So, if you are a widow or widower, you may start your survivor benefit independently of your retirement benefit if you restrict the scope of your application. There are also some exceptions to deemed filing. For example, deemed filing does not apply if you receive spouse's benefits and are also entitled to disability, or if you are receiving spousal benefits because you are caring for the retired worker’s child. If you have questions about your specific situation, contact Social Security.

**How and when is Social Security implementing this change?** We have already implemented this change with specific instructions to our field office employees because the law applies to those who attain age 62 on January 2, 2016 or later. We are continuing to update our website and materials

## **Voluntary Suspension of Benefits (also called “File and Suspend”)**

**What was the loophole?** As described above, retirement benefits grow for each month you delay claiming, between full retirement age (currently 66) and 70. A loophole allowed a worker at full retirement age or older to apply for retirement benefits and then voluntarily suspend payment of those retirement benefits, which allowed a spousal benefit to be paid to his or her spouse while the worker was not collecting retirement benefits. The worker would then restart his or her retirement benefits later, for example at age 70, with an increase for every month retirement benefits were suspended.

**How is the law changing?** Under the new law, you can still voluntarily suspend benefit payments at your full retirement age (currently 66) in order to earn higher benefits for delaying. But during a voluntary suspension, other benefits payable on your record, such as benefits to your spouse, are also suspended. And, if you have suspended your benefits, you cannot continue receiving other benefits (such as spousal benefits) on another person's record.

There are some exceptions. If you are a divorced spouse, you can continue receiving a divorced spousal benefit even if your ex-spouse voluntarily suspends his or her retirement benefit.

**What is the rationale for this change?** There is less rationale for paying dependents if the primary worker has not retired or is not receiving payment from Social Security. It also preserves the fairness of the incentives to delay, so that couples cannot simultaneously receive a benefit and get a bonus for delaying.

Deciding when to start your Social Security benefits is a complex and personal decision. You may contact Social Security at 1-800-772-1213 (TTY 1-800-325-0778), or visit your local field office, to speak with a representative about your retirement options. In particular, if you are or will be full retirement age (66) or older before April 30, and you think you want to suspend your benefits, contact us as soon as possible before April 30. But remember, if you want to let your retirement benefit grow, you can simply delay taking it, up to age 70.