

Understanding Social Security Spousal Benefits: What You Need to Know

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Social Security spousal benefits are essential to retirement planning for married couples. These benefits allow one spouse to receive up to 50% of the other spouse's full retirement age (FRA) benefit amount, offering financial security for households where one spouse either did not work or earned significantly less over their career. However, the timing of claiming these benefits can dramatically influence the amount received, particularly when benefits are claimed before reaching FRA.

In this guide, we'll dive deeper into how Social Security spousal benefits work, the implications of claiming them early, and strategies to maximize your benefits. By the end, you'll clearly understand how to approach this critical aspect of retirement planning.

How Spousal Benefits Work

Spousal benefits provide financial support to spouses who may not have accrued sufficient Social Security credits or whose benefits are substantially lower than those of their partner. Here are the core principles to understand:

Eligibility Criteria

- Age Requirements:**

You must be at least 62 years old to claim spousal benefits. However, to receive the maximum spousal benefit, you need to wait until your FRA, which is between 66 and 67, depending on your birth year.

- Spouse's Filing Status:**

Your spouse must have already filed for their Social Security benefits so you can claim spousal benefits. If you are divorced, the rules differ slightly: you can claim spousal benefits if the marriage lasted at least 10 years, and your ex-spouse does not need to have filed, provided they are eligible for Social Security.

- Benefit Limits:**

The maximum spousal benefit is 50% of your spouse's FRA benefit amount, regardless of when they begin claiming. If your spouse delays their benefits beyond FRA, earning delayed retirement credits, your spousal benefit will not increase correspondingly. However, if your spouse claims

early, their reduced benefit amount will not impact your spousal benefit at FRA—it will still be calculated based on their full FRA amount.

Filing for your Primary Insurance Amount (PIA) early and later filing for spousal benefits on your spouse's account can be complex, as the Social Security Administration applies specific rules about how benefits are calculated and coordinated. Here's an in-depth look at what happens:

Early Filing for Your Own PIA

Your monthly benefit is permanently reduced when you file for your own benefits (your PIA) before reaching your Full Retirement Age (FRA). The reduction is based on how many months before FRA you claim:

- For the first 36 months, your monthly benefit is reduced by 5/9 of 1%.
- For months beyond 36, it is reduced by 5/12 of 1% per month.

This early filing locks in your reduced benefit, which cannot be reversed unless you withdraw your application within 12 months and repay any benefits received.

Later Filing for Spousal Benefits

If you later apply for spousal benefits, the Social Security Administration calculates your spousal benefit amount as the difference between your reduced PIA benefit and the maximum spousal benefit you are entitled to, which is 50% of your spouse's FRA benefit. However, there are some key points to keep in mind:

Deemed Filing Rule

When you file for Social Security benefits before FRA, you are subject to the deemed filing rule. This means that the SSA automatically considers you as applying for both your own benefit and any spousal benefits you are entitled to. You cannot delay one while taking the other.

Reduced Spousal Benefits

If you file for spousal benefits before your FRA, the spousal benefit is also reduced. The reduction is calculated based on the number of months before your FRA that you claim.

How the Calculation Works

1. The Social Security Administration calculates your own reduced benefit based on when you claimed your PIA.
2. If your spousal benefit is higher than your own benefit, the SSA adds the difference to your reduced PIA benefit to give you the total monthly payment.
3. If you claim both your PIA and spousal benefits early, the total will be permanently reduced.

Example Calculation

Let's break it down with an example:

- Your FRA benefit (PIA): \$800

- Your spouse's FRA benefit: \$2,000
- Maximum spousal benefit: 50% of \$2,000 = \$1,000

Scenario: You File Early at 62

- Your PIA benefit at 62 is reduced by 30%, making it \$560.
 - The spousal portion (the difference between your PIA and the maximum spousal benefit) is calculated as $\$1,000 - \$800 = \$200$.
 - Your total benefit is \$560 (your reduced PIA benefit) + \$200 (reduced spousal portion) = \$760.
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Implications of Filing Early

Filing early for both your PIA and spousal benefits results in permanently reduced benefits. Here are the key impacts:

You Lose the Advantage of Delayed Benefits

- If you file early for your own benefits, you lose the opportunity to earn delayed retirement credits that could increase your monthly payment.
- Similarly, by filing for spousal benefits early, you reduce the spousal portion you can receive.

Limited Benefit Increases

- If your spouse delays their benefits beyond FRA, earning delayed retirement credits, it does not increase the spousal portion you receive. The spousal benefit is always based on 50% of your spouse's FRA amount, not their delayed amount.

Earnings Test

- If you are working while receiving benefits before FRA, the earnings test could further reduce your benefits. For 2024, Social Security withholds \$1 in benefits for every \$2 earned above \$21,240 annually. These withheld benefits are recalculated at FRA but do not negate the reduction due to early filing.
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Strategic Considerations

Understand Deemed Filing Rules

If you want to maximize your spousal benefits, avoid filing for your own benefits early. Once you file for your own benefits, you are also automatically deemed to have filed for spousal benefits.

Consider Waiting Until FRA or Later

Waiting until FRA or later allows you to:

- Receive your total PIA.
- Maximize the spousal benefit (up to 50% of your spouse's FRA benefit if applicable).

Alternative Strategies

If you are eligible for your own benefits but your spouse has not yet filed, consider delaying your claim until your spouse files or until you both reach FRA. This could allow for higher combined benefits.

The Bottom Line

Filing for your own Social Security benefits early and then filing for spousal benefits can result in significantly reduced lifetime benefits due to early claiming penalties and the deemed filing rule. The best approach is to carefully evaluate your financial needs, life expectancy, and retirement goals before making a decision. Consulting with a financial advisor can help you optimize your Social Security strategy, ensuring that you and your spouse make the most of your benefits over the long term.

Claiming Spousal Benefits Before Full Retirement Age

Claiming spousal benefits before FRA significantly reduces the amount of benefit you will receive. This reduction is permanent and can affect your financial situation for decades. Here's how the mechanics work:

Reduction Formula

If you claim spousal benefits before FRA, your benefit amount is reduced by a specific percentage for each month you claim early. For example:

- If your FRA is 67, claiming at age 62 results in a reduction of approximately 35%. This means that instead of receiving 50% of your spouse's FRA benefit, you would receive only 32.5%.
- The reduction decreases slightly for each month you delay filing closer to your FRA.

Let's consider an example:

If your spouse's FRA benefit is \$2,000, your maximum spousal benefit at FRA would be \$1,000. However, if you claim at 62, your benefit drops to about \$650 per month—a loss of \$350 monthly or \$4,200 annually.

Impact Over Time

The long-term impact of claiming early can be staggering. Assuming a 20-year retirement, claiming early at a reduced amount could cost you tens of thousands of dollars in lifetime benefits. For retirees who rely heavily on Social Security income, this could mean making sacrifices or drawing down other savings more quickly.

Factors to Consider Before Claiming Early

The decision to claim spousal benefits early is not one to take lightly. Here are some key factors to weigh before making your choice:

1. Financial Needs vs. Longevity

Claiming early might make sense if you need additional income immediately or have a shorter life expectancy. However, for couples who anticipate a long retirement, the reduced monthly benefit could result in financial challenges later in life, especially if other sources of income are limited.

2. Household Income Strategy

Spousal benefits are just one piece of the puzzle in retirement planning. If your spouse plans to delay their benefits to maximize their retirement credits, you may need to bridge the income gap with other resources before claiming. Coordinating your benefits strategies as a couple can significantly impact your total household income.

3. The Earnings Test

If you plan to continue working while claiming spousal benefits before FRA, your benefits may be temporarily reduced due to the Social Security earnings test. For 2024, earning more than \$21,240 per year will result in \$1 being withheld for every \$2 earned above the threshold. While withheld benefits are recalculated and credited back after reaching FRA, the immediate impact could reduce your cash flow.

Impact on Survivor Benefits

It's important to note that spousal benefits do not directly affect survivor benefits, which are based on the deceased spouse's actual benefit amount. However, survivor benefits could indirectly be impacted if your spouse claimed their own benefits early, as this would lock in a lower base amount for you to inherit.

If you anticipate needing survivor benefits, discussing whether your spouse should delay their claim to increase the potential survivor benefit amount is worth discussing. This is particularly important if you expect to outlive your spouse or rely heavily on Social Security as a primary income source.

Strategies to Maximize Spousal Benefits

Careful planning is essential to get the most out of Social Security spousal benefits. Here are a few strategies to consider:

1. Wait Until Full Retirement Age

The simplest way to maximize spousal benefits is to delay claiming until you reach your FRA. While this requires patience and possibly drawing from other savings in the interim, the long-term benefit of a higher monthly payment can outweigh the short-term drawbacks.

2. Coordinate Benefits as a Couple

Social Security benefits are not standalone decisions; they should be coordinated between spouses to optimize overall household income. For example, one spouse might delay their claim to earn delayed retirement credits while the other claims their own or spousal benefits earlier to maintain cash flow.

3. Explore Restricted Applications

If you were born before January 2, 1954, you may qualify for a "restricted application." This allows you to claim only spousal benefits at FRA while letting your own benefit grow until age 70. Though this strategy is no longer available to most beneficiaries, it's worth exploring if you fall into this group.

4. Factor in Divorce or Remarriage

If you are divorced, you can still claim spousal benefits based on your ex-spouse's record as long as you meet the eligibility criteria. However, remarrying disqualifies you from claiming benefits based on your ex-spouse's record, so timing matters.

Common Misconceptions About Spousal Benefits

1. "I Can Claim Spousal Benefits While My Spouse Waits to Claim."

False. Your spouse must file for their own benefits before you can claim spousal benefits, except in the case of divorce.

2. "If My Spouse Delays Benefits, My Spousal Benefits Will Also Grow."

Not true. Spousal benefits are based on your spouse's FRA benefit amount, not any delayed retirement credits they might earn.

3. "Claiming Early Is Always a Bad Idea."

It depends. For some households, the immediate need for income outweighs the benefits of waiting, especially if life expectancy or other financial factors come into play.

The Bottom Line

Social Security spousal benefits can be a vital source of income in retirement, but the timing of your claim has long-term consequences. Claiming before FRA results in a permanently reduced benefit, while waiting ensures you receive the maximum amount available. Understanding how these benefits work and carefully coordinating them with your overall retirement strategy can help you make the most of what Social Security has to offer.

Navigating Social Security can feel complex, but you don't have to go it alone. Consulting with a financial advisor can provide personalized guidance to help you optimize your benefits and ensure financial stability throughout retirement. After all, retirement is about enjoying the fruits of your labor—not worrying about your next check.

References:

[Social Security Administration](#)

[Social Security Handbook](#)



A stylized, handwritten signature of Ed Harris in dark blue ink, positioned above a thin horizontal line.

Ed Harris is the Founder and CEO of Apogee Wealth Management and the driving force behind Apogee Wealth Academy, a 501(c)(3) nonprofit dedicated to financial education. With over 20 years of experience, Ed helps clients navigate complex financial landscapes and achieve their goals through a holistic approach that considers financial, emotional, and psychological aspects of financial decision-making.

Beginning his journey in ministry at age 15, Ed developed a deep commitment to uplifting others. He and his wife, Melissa, raise their five children with values centered on health and personal growth. An advocate for financial literacy, Ed actively participates in community initiatives to empower underserved populations, striving to create a world where everyone can make informed financial decisions.

apogeewealthacademy.com

248.686.1858

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