

Advice Knowledge Express: Navigating Social Security – Family Benefits Video Transcript

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Rayyan Anees: Hello and welcome to the Navigating Social Security video series. I'm your host, Rayyan Anees of Advice and Planning. In this video, we discuss the family benefits that may be available to your family when you file for Social Security.

Today, I'm joined by Bob McKinney, CFP®, who will talk us through benefits that may be available for your family.

Hi, Bob. Thanks for joining us today.

Bob McKinney: Hello, Ryan. It's great to be here. Thank you.

Rayyan Anees: So, where should we get started about family benefits from Social Security?

Bob McKinney: Well, when you do apply for your retirement benefits, that may qualify some of your dependents to receive a monthly payment.

This could include a spouse, ex-spouse and dependent children. The one key thing to always remember here is that no matter what your own retirement benefits will not be reduced.

There are three trigger events: your retirement, your disability, or your death that may qualify your family members for benefits. Generally, any unmarried children under the age of 18 can receive benefits until they reach 18 years old. Your spouse may be eligible for a childcare benefit if they are taking care of your children under age 16. It's very important to note that your spouse's benefit ends when the youngest child reaches age 16. But the children continue to receive their own benefit until they reach age 18.

Source: Social Security Administration - www.ssa.gov/pubs/EN-05-10085.pdf. Current as of 8/29/2024

Ryan Anees: Well, now that we know the trigger events and basic requirements, what benefits do family members actually receive?

Bob McKinney: Well, Rayyan, if they meet the requirements, qualified beneficiaries can receive up to 50% of your primary insurance amount when you retire or 50% of your disability benefit. If you become disabled, the percentage increases up to a maximum of 75% of your primary insurance amount if you pass away while they are still eligible for family benefits.

Source: Social Security Administration - www.ssa.gov/pubs/EN-05-10024.pdf. Current as of 8/29/2024

Rayyan Anees: So, wait, what happens in case of a surviving spouse with, say, four children? I've never heard of a situation where someone can collect up to 50% or up to 75% of the decedent's benefit.

Bob McKinney: You're correct, Ryan, that is not the case.

There is a family maximum amount that can be paid from any one person's benefit. The maximum is calculated based on your earnings record and results in the limit of 150 to 180% of your primary insurance amount.

And as we mentioned earlier, the family maximum will not reduce your own benefit amount. The amounts paid to your family members will be reduced proportionally to stay within the maximum limit. Payment reductions start when there are three or more people, including yourself, receiving benefits off your record.

Once your dependents age out of qualifying for benefits, the family maximum is reallocated among the remaining. Interestingly, though, former spouses are not included in the family maximum calculation. If you had multiple marriages lasting the required ten years, each former spouse can receive their full ex-spouse benefit without lowering your benefit or the family maximum.

Source: Social Security Administration - www.ssa.gov/pubs/EN-05-10024.pdf. Current as of 8/29/2024

Rayyan Anees: Thank you, Bob. That was good information to share.

Bob McKinney: Glad I could help.

Rayyan Anees: As we've learned today, family benefits could provide additional income to your family members during retirement, death or disability. Since there are a lot of moving parts, it's really important for you to understand all of your benefit payment options.

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Unless shown, the source of the data shown is the Social Security Administration (ssa.gov) as of September 2024.

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