

Advice Knowledge Express: Navigating Social Security – Spousal Benefits – Part 1 Video Transcript

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Rayyan Anees: Hello and welcome to the Navigating Social Security video series. This is part one of our Spousal Benefits presentation. I'm your host, Rayyan Anees of Advice and Planning. And I'm joined today by my good friend and colleague, Annie Scalora.

Hi, Annie. Thank you for joining us today.

Annie Scalora: Hi, Rayyan. Thanks for having me.

Rayyan Anees: Well, great. Let's get right into it. Spousal benefits can be one of the most commonly misunderstood type of Social Security benefits. Now, many of us have heard that one spouse can be eligible for 50% of the other spouse's benefit.

Can you help us clear up some confusion today?

Annie Scalora: Sure. Absolutely. It is a very confusing topic, but to begin with, a Social Security spousal benefit is available as early as age 62.

And the requirement is that they would need to be married for at least one year.

One spouse can claim up to a maximum of 50% of the other spouse's full retirement age benefit. The confusion often revolves around the fact that the 50% maximum benefit is only available if the claiming spouse collects benefits at or after their full retirement age. But it's different if they're claimed prior to full retirement age, the spousal benefits are reduced.

Also, the higher earnings spouse must be claiming their retirement or disability benefit for the other spouse to claim a spousal benefit.

Sources :

www.ssa.gov/pubs/EN-05-10035.pdf. Current as of January 2024

<https://secure.ssa.gov/apps10/poms.nsf/lnx/0300202001> Effective dates: 07/24/2017 - Present

Rayyan Anees: Great. And is it also true that divorced spouses can claim benefits in certain circumstances as well?

Annie Scalora: Yes, there are a couple differences for divorced spousal benefits. It is available based on an ex-spouse's record if they were married for at least ten years and both ex-spouses are at least age 62. The claiming spouse must be unmarried.

If the divorce was finalized over two years ago, then the requirement for the ex-spouse to be receiving benefits does not apply.

Source: www.ssa.gov/pubs/EN-05-10024.pdf Current as of January 2024

Rayyan Anees: Now that we know eligibility requirements. What else do we need to know?

Annie Scalora: Well, Rayyan. It is important to determine which benefit they are eligible for.

So, either they're eligible for just their spousal benefit or they're eligible for their own retirement benefit, or possibly a combination of both.

When a person is eligible for their own retirement benefit, as well as a spousal this is called dual entitlement. When you're duly entitled the deemed filing rule applies to prevent double dipping benefits.

When you file an application, you're deemed to be filing all benefits you were entitled to. This prevents you from receiving one benefit while increasing another benefit through delayed filing. You receive the higher of the two benefit amounts.

Sources:

<https://secure.ssa.gov/apps10/poms.NSF/lrx/0300615020> Effective dates: 12/05/2023 – Present

www.ssa.gov/benefits/retirement/planner/claiming.html. Current as of October 4, 2024

Rayyan Anees: Annie, thank you for providing clarity around eligibility, dual entitlement and deemed filing rules. What else creates confusion around spousal benefits?

Annie Scalora: Well, Ryan, the most confusing issue is that the formula used to calculate the spousal benefits is different for those eligible for spousal benefits only versus those who are duly entitled. For those who are only eligible for spousal benefits, the formula is a simple percentage of the maximum primary insurance amount based on your age when you claim.

It is the dual entitlement part that creates the most confusion. The formula for the dually entitled individuals is made up of two components - the claiming spouse's retirement amount as well as the spousal excess or boost amount.

Social Security always pays your retirement benefit first, then it adjusts the spousal boost to meet the highest benefit you are entitled to. In addition, claiming either benefit before retirement age will reduce the benefit amount. The formula used to calculate the reduced amount uses different percentages based on your age for the retirement benefit and spousal excess as seen in this chart. We will provide detailed calculation examples in part two of the spousal benefits video.

Sources :

www.ssa.gov/benefits/retirement/planner/1960.html. Current as of October 4, 2024

SSA Handbook § 320. https://www.ssa.gov/OP_Home/handbook/handbook.03/handbook-0320.html Current as of July 2024

Rayyan Anees: Wow, Annie, it's easy to see how spousal benefits can be so confusing. How do we determine what we do?

Annie Scalora: Rayyan, I would say this. I would say review your statement. If married, review your spouse's statement and work with an expert to help you determine the best claiming strategy for your particular situation.

Rayyan Anees: Well said. Thank you for joining us, Annie.

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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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