

Tangible Solutions

Financial Information to Meet Your Needs

Spring 2010

Introduction

Many of my clients are seeking useful information to help make educated decisions on financial matters. Each issue focuses on a specific topic to provide pertinent information which I believe that you will find valuable. If you have a suggestion for a future topic or concern, please let me know. I look forward to your input and feedback.

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FOCUS: Divorce & Social Security

If you are divorced, and your marriage has lasted a minimum of 10 years (Note: it can be less than 10 years if you are caring for a child under 16 who is disabled and getting Social Security benefits via your ex-spouse.), you can receive retirement benefits based upon your former spouse's record – even if s/he has remarried. There is a lot of information on their website – www.ssa.gov.

- First, you must not have remarried.
 - If you remarry you cannot collect on your former spouse's record unless your later marriage ends through either divorce, annulment, or death. Also, it does not matter whether or not your former spouse remarries – you would still be eligible to receive benefits based upon your marriage.
 - If you remarry you may still be eligible for survivor benefits from your first spouse if you remarried after age 60 (or age 50 if you are disabled).
- Second, you must be at least 62 years old. (Remember that the longer you wait to start your benefits, the higher they will be – starting benefits at age 62 will result in an amount that is 30% less than if you waited until you were 66 years old.)
- Third, your former spouse is entitled to Social Security retirement (age 62) or disability (age 50) benefits.

If your former spouse hasn't yet applied for retirement benefits, but is eligible to receive them, you can still receive benefits as long as you have been divorced for at least two years.

Assuming that if you are eligible for your own benefits based upon your earnings, you would be eligible to receive the higher benefit – your own, or an amount based upon your former spouse's benefits (you can't receive more than one benefit – you would receive the one benefit that pays the most). You can choose to receive only the divorced spouse's benefits now, and delay receiving your own retirement benefits until a later date. (This would give you the possibility of receiving more at a later date based upon the effect of delayed retirement credits...)

The amount of benefits you receive has not impact upon the amount of benefits your former spouse, or their current spouse, may receive.

If your former spouse dies, you may be eligible for survivor benefits, at a higher amount.

Here are examples of the benefits that a surviving divorced widow/er may receive:

- Widow/er, full retirement age or older -- 100 percent of the deceased worker's benefit amount;
- Widow/er, age 60 -- full retirement age -- 71.5 to 99 percent of the deceased worker's basic amount;
- Disabled widow/er aged 50 through 59 -- 71½ percent;
- Widow/er, any age, caring for a child under age 16 -- 75 percent.
- A child under age 18 (19 if still in elementary or secondary school) or disabled -- 75 percent.

There is a maximum amount per month that can be paid to all the survivors on the record. There may also be a special lump-sum death benefit.

Source attribution: Social Security Administration – www.ssa.gov