



The 2015 bipartisan budget bill has introduced major changes to Social Security. Our firm is continuing to monitor the situation. We are evaluating the impact of the proposed changes and are working to create information you can trust in making claiming decisions. Once we have clarification on the changes, we will incorporate the new rules into our software. Until that time, our software will remain available, and you can use it to see your claiming options based on the current Social Security laws.

Once our software has been updated, we will indicate on this site that it is complete. Until then, we recommend that you seek advice from a qualified financial professional before implementing any claiming strategy.

While some language in the new rules needs to be interpreted, and policies and processes at the Social Security Administration need to be changed to reflect the new laws, below is our firm's understanding of the new rules:

1. Beginning 6 months after the passage of this bill, no one will be able to implement a "file and suspend" strategy. Benefits based on a worker's earnings record will no longer be paid to any spouse or other dependent if the worker's benefit is suspended.
2. If you've already claimed your benefits using a file and suspend strategy, you are "grandfathered" and may continue receiving benefits as you are now. Any benefits being paid on the earnings of a worker who has suspended benefits will continue in this circumstance.
3. If you implement a file and suspend strategy within 6 months of the passage of the budget bill, you will be allowed to continue with your benefit claiming strategy, and benefits that begin being paid to a spouse from the suspended benefits of a worker will continue.
4. If you will have already reached age 62 before the beginning of 2016, you will still have the option of filing a "restricted application" at your full retirement age. This will allow you to claim a spousal benefit while your own benefit will accrue delayed retirement credits. You will be able to switch to your own higher benefit at a later date. Keep in mind, though, that you will only be able to receive the spousal benefit if the worker is actually receiving a benefit payment. If the worker has suspended the benefit, no spousal benefit will be payable.
5. If you will reach age 62 after 2015, you will not be able to use the restricted application strategy at Full Retirement Age. If you apply for any benefit, your application will be considered an application for all benefits to which you are eligible, and you will essentially receive an amount equal to the highest benefit.
6. How divorced spouse benefits will be considered in light of these changes remains unclear.

We will continue to stay abreast of the developments and update this message as we know more. Please check back for new information should it become available.

October 30, 2015