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The Savvy Investor

Social Security for Widows

Widows and widowers over 60 and married at least 10 years are eligible for **survivor benefits** based on their spouses earned Social Security credits. Also, widows (or widowers) under 60 and caring for the deceased's child under 16 are entitled to benefits.

The **survivor benefit** is 100% of the deceased husband's benefit amount he was collecting (including deferred credits) or the amount he would have collected at his full retirement age. But the survivor receives 100% only if they wait until their own full retirement age (66). Therefore, several strategies are suggested.

Widows With Little Earned Income

- Widows can file for and receive their own reduced retirement benefit starting at age 62 and then receive their full survivor benefit without any reduction at age 66.
- There is no reduction in benefits when she switches from her own Social Security benefits to survivor benefits, as long as she is at least full retirement age when she claims the survivor benefit.
- This is usually the best strategy for widows with little or no earned income, i.e., they are not working or have little earned income.

Widows Who Are Working

- Anyone younger than full retirement age (66) for the entire year and collecting Social Security while continuing to work forfeits $1 in benefits for every $2 earned over $15,720.
- Therefore, a different strategy might be preferable if she is earning significantly more than the annual earnings cap restriction ($15,720).
- Higher-earning widows should consider deferring all benefits, including their survivor benefit, until age 66 when the earnings cap disappears. Then, at age 66 she should start collecting survivor benefits.
- Then, after collecting survivor benefits from age 66 until age 70, she should switch to her own higher retirement benefit at age 70.
- This strategy works well because survivor benefits are frozen in time. They don't earn delayed retirement credits if benefits are postponed beyond full retirement age. However, her own retirement benefits increase 8% per year she delays collecting them from full retirement age (66) up to age 70.