



## **Social Security Update: How the New Law Affects You**

Dear Client:

Congress has just passed a new federal budget, and the law reduces or eliminates two strategies that some retirees used to increase their Social Security benefits. **Please consider this information for yourself as well as for your parents or other relatives.**

The first, *File and Suspend*, allowed your spouse to receive Social Security benefits based on your work record while letting you delay your benefits to the future (when your benefit will be higher). The second, called *Restricted Application*, let you receive spousal benefits while your own untapped benefit continued to rise in value.

We won't delve here into the details of how these strategies work – watch for an article on this soon in *Inside Personal Finance*, our monthly newsletter – but we wanted you to know we have carefully studied the new legislation and are prepared to advise you accordingly.

Here's a summary of the implications of the new law:

- If you or your spouse are collecting benefits, nothing changes; you will continue receiving your benefits just as you always have.
- If you are a widow or widower and are, or will be, collecting survivor benefits, nothing changes.
- If you or your spouse are eligible to receive benefits but one or both of you haven't yet filed, you might still be able to take advantage of these strategies. Talk to your Advisor about this right away.
- If you and/or your spouse are not yet eligible to receive Social Security retirement benefits, these strategies – both *File and Suspend* and *Restricted Application* – may not be available to you.

The chart below summarizes eligibility for you, and we can provide you further details if you need them.

## Can You Use These Strategies to Increase Your Social Security Benefits?

If You Are...	SINGLE	MARRIED		DIVORCED <sup>3</sup>	
	File & Suspend	File & Suspend	Restricted Application	File & Suspend	Restricted Application
Age 66 <sup>1</sup> by April 30, 2016	✓ Yes	✓ Yes			
Age 62 <sup>2</sup> (or older) on or by Jan. 1, 2016			✓ Yes	N/A	✓ Yes <sup>4</sup>
Age 61 or younger by Jan. 1, 2016	✗ No	✗ No	✗ No		✗ No

<sup>1</sup> Though grandfathered in, File & Suspend can only be done at Full Retirement Age

<sup>2</sup> Though grandfathered in, Restricted Application can only be done at Full Retirement Age

<sup>3</sup> Previously married for more than 10 years and divorced for at least 2 years

<sup>4</sup> If ex-spouse is eligible and age 62 or older

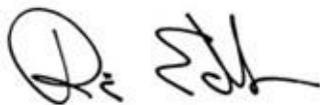
Source: H.R.1314 114th Congress (20152016): Bipartisan Budget Act of 2015 | Congress.gov | Library of Congress

Generally, you must be age 62 or older to be eligible to receive benefits. But there are exceptions based on whether you are married, divorced or widowed, and whether you have a child under 18 or a parent dependent on you. If you are uncertain as to whether you are eligible, contact us. We'll help you determine how you can best benefit from Social Security.

Finally, the new law reduces the increase in Medicare Part B premiums for 2016. The projected increase of 52% will instead be a 15% increase, and it will affect fewer retirees. I'll have more for you on this soon in our monthly newsletter. If you need immediate help with Part B, please contact your Advisor.

We realize that Social Security can be very confusing. Please feel free to contact us if you have any questions.

Regards!



Ric Edelman

Chairman and CEO



P.S. Please share this letter with family and friends who might find this information helpful, and invite them to call us at 888-PLAN-RIC (888-752-6742) — that’s why we’re here!

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