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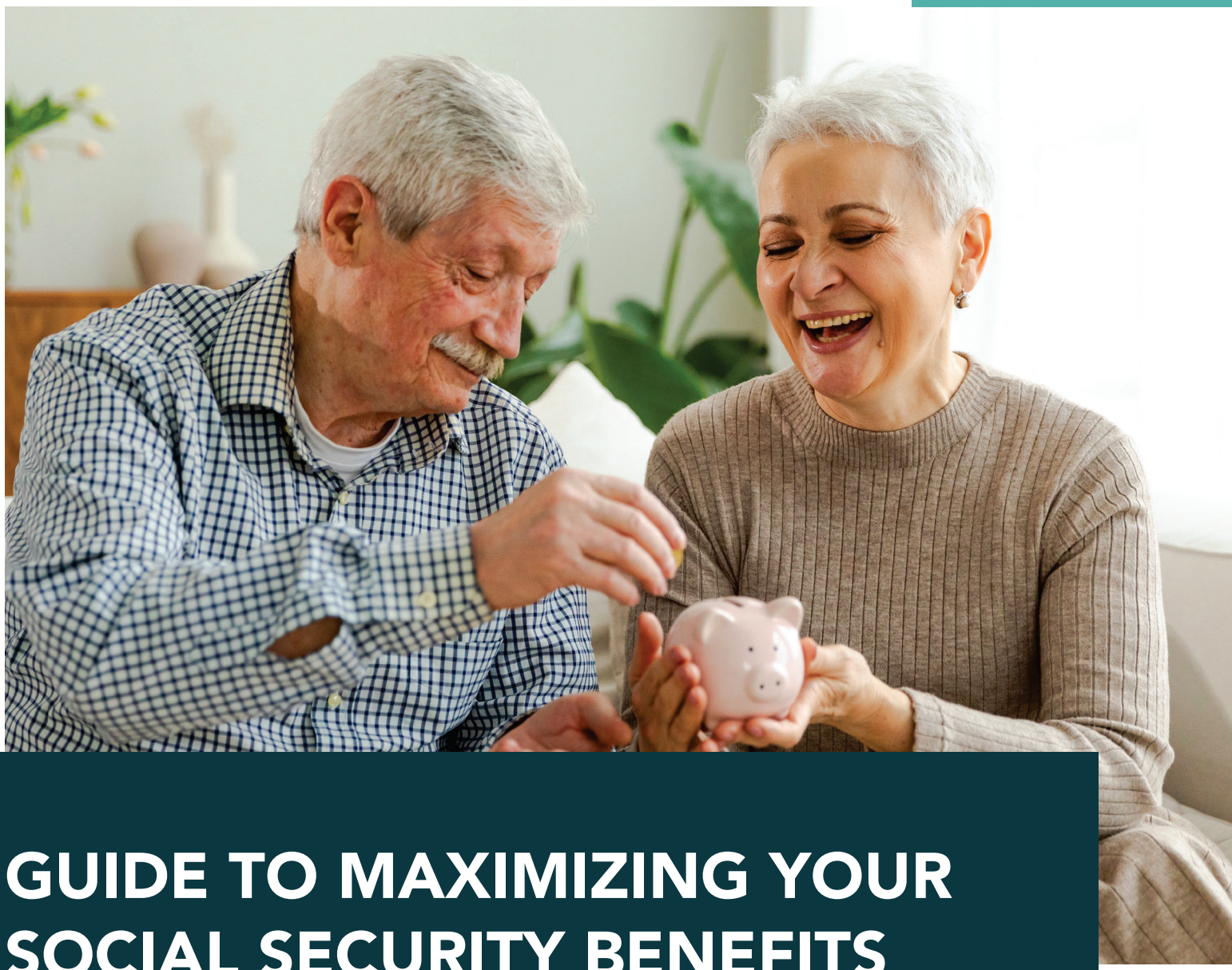


# GUIDE TO MAXIMIZING YOUR SOCIAL SECURITY BENEFITS

This guide offers an overview into Social Security benefits to help you carefully consider each strategy and understand your options for building a future for you and your family.

Although Social Security is commonly thought of as a retirement program, it touches the lives of nearly all Americans: older Americans, workers who become disabled, and families in which a spouse or parent dies.

Today, over 176,100 million people work and pay Social Security taxes and over 74.5 million people receive monthly Social Security benefits.

As you begin to dive deeper into Social Security benefits, it is critical to understand the strategies that may affect you and your family now and in the future. This guide will address each strategy and also prepare you to discuss each topic with your financial advisor to compile the best plan for you and your family's future.

## Let's get started!

Source:
https://www.ssa.gov/news/en/press/how-is-social-security-financed.html
https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/

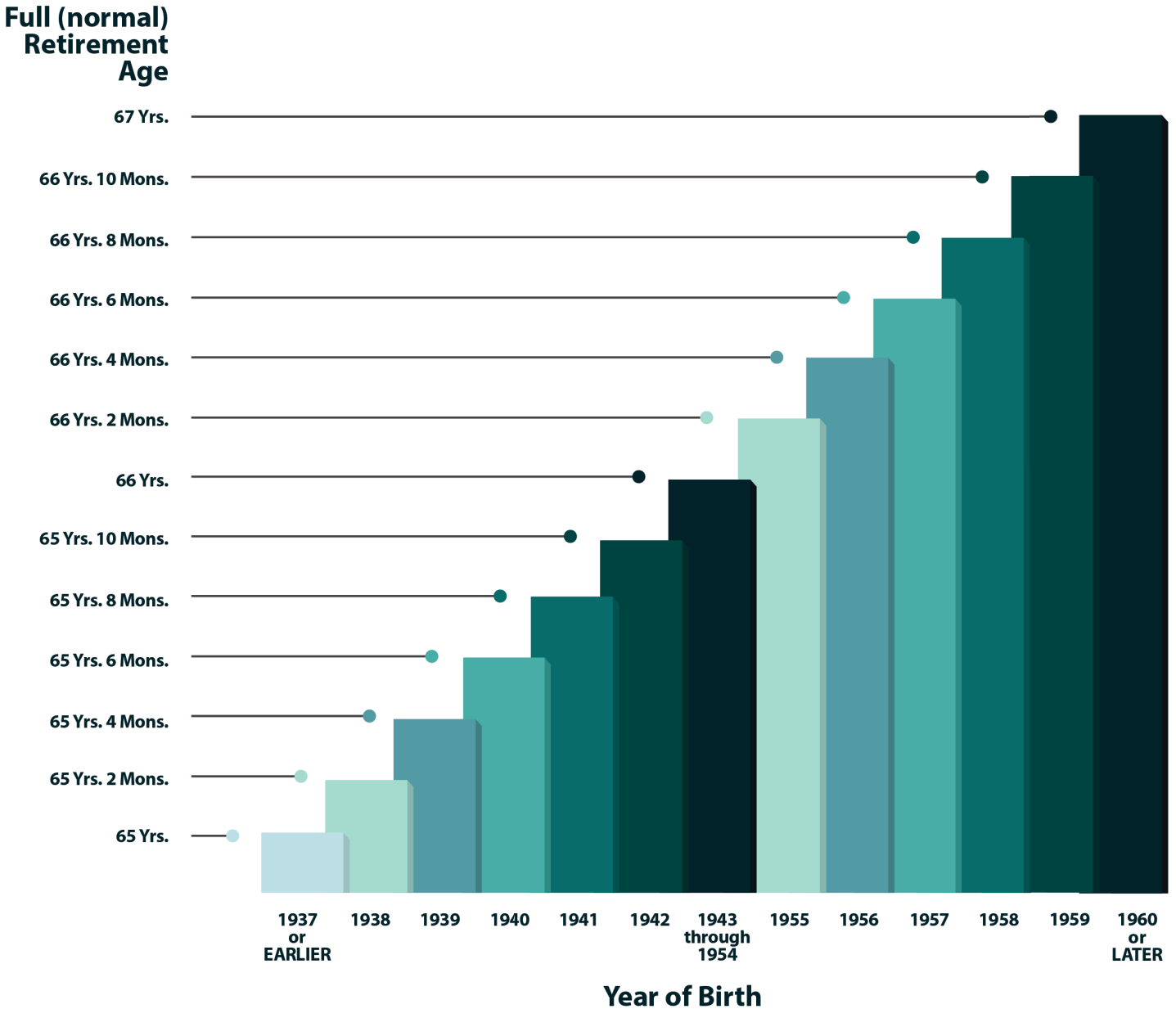
# What Age Can You Access Social Security?

Depending on your circumstances, you may be eligible for Social Security at any age.

Once you claim Social Security, it may replace about 40% of an average wage earner's income after retiring. As you discuss your options for Social Security benefits and how each option may fit into your future retirement plan with a financial advisor, you may find that you will need 70% or more of pre-retirement earnings to live comfortably.[i]

The goal of this guide is to help you understand what Social Security can mean to you and your family's financial future and how it may affect retirement, disability and survivor's insurance programs.

[i] https://www.ssa.gov/policy/docs/ssb/v68n2/v68n2p1.html




Source: ssa.gov/planners/retire/agereduction.html

# How Social Security Affects You

## What's New in 2026?

### 2026 SOCIAL SECURITY CHANGES

- **Tax Rate Stays the Same:**
  7.65% employee or self-employed 15.3%
- **Maximum Taxable Earnings:**
  $176,100 (2025), $184,500 (2026)
- **Quarter of Coverage:**
  $1,810 (2025), $1,890 (2026)
- **Retirement Earnings Test Exempt Amounts:**
  (2025) $23,400/yr or $1,950/month
  (2026) $24,480/yr or $2,040/month
- **Year in which you attain FRA:**
  (2025) $62,160/yr or $5,180/month
  (2026) $65,160/yr or $5,430/month
- **COLA:**
  2.5% (2025), 2.8% (2026)

Source: https://www.ssa.gov/news/en/cola/factsheets/2026.html

**As you review** the changes above, you may be wondering how this will affect you. There may be many ways to maximize your Social Security benefits based on your specific situation. As you dive deeper into the strategies available to you, discuss each strategy with your financial professional to develop a plan and test each factor to ensure you are making the best long-term decision.

### *Questions to Discuss with Your Financial Professional:*

1. **With the 2026 changes, what are my options to maximize my Social Security benefits?**
2. **How would these options affect me long-term?**
3. **Would you put a multi-option plan together for me to review?**

# What Do I Need to Know About the Bipartisan Budget Act of 2015, Section 831?

The Bipartisan Budget Act contained two restrictions, Claim then Suspend and Spouse then Worker, which changed the way you and your spouse can file for Social Security benefits.

The Claim then Suspend allowed a worker to file for benefits but then suspend payments, while still allowing a benefit to be paid to the spouse, even though the worker had not retired and was not collecting benefits.

You may notice that this undermined the purpose of spousal benefits, which is to supplement benefits paid to the worker when there are dependent family members.

- A worker who chooses to delay receipt of retirement benefits beyond the full retirement age, currently 66, accumulates "delayed retirement credits" (DRCs) which lead to a higher benefit when they do retire.

After April 30, 2016, if a worker suspends his or her retirement benefit, then spousal benefits based on that person's earnings will also be suspended. Furthermore, a worker who suspends after April 30th will no longer be able to retroactively "un-suspend" benefits at a later point and receive a lump sum for the past-due period.

Source: https://www.ssa.gov/benefits/retirement/planner/agereduction.html

The second restriction, Spouse then Worker, also known as Restricted Application, allowed a worker with relatively high earnings to collect a spouse benefit for several years while they accrued DRCs on their own wage record until age 70, raising their benefit by as much as 32%, when they switched from a spousal benefit to a worker benefit.

This strategy is no longer available to anyone who was not already age 62 or over prior to January 2, 2016. Anyone who was at least 62 in 2015 can still file a "restricted claim" for spousal benefits after reaching full retirement age and

### *Questions to Discuss with Your Financial Professional:*

1. **Am I grandfathered in?**
2. **What are the rules I have to abide by?**
3. **Is this in my best interest?**

Source: https://www.ssa.gov/legislation/Bipartisan%20Budget%20Act%20Closes%20Social%20Security%20Loophole%20updated.pdf

### DELAYED RETIREMENT CREDITS

**A DRC is an increase in the monthly benefit amount due a retirement beneficiary or his or her widow(er) for each month beginning with full retirement age (FRA) that a benefit is due but not paid. To receive full credit, you must be insured at your normal retirement age. No credit is given after age 69.**

Source: https://www.ssa.gov/oact/quickcalc/early_late.html#late

# Is My Social Security Income Taxable?

This chart is for information purposes only and should not be construed as legal or tax advice. Consumers should consult legal or tax advisor regarding their own personal situation.

| **Filing Status**<br>Single, Head of Household, Qualifying Widower, and Married Filing Separately (where the spouses are living apart the entire year) | |
|---|---|
| **Provisional Income** | **Percentage of Social Security that is Taxable** |
| Below $25,000 | All Social Security income is tax-free |
| $25,000 - $34,000 | Up to 50% of Social Security benefit may be taxable |
| More than $34,000 | Up to 85% of Social Security benefit may be taxable |

| **Filing Status**<br>Married Couple Filing Jointly | |
|---|---|
| **Provisional Income** | **Percentage of Social Security that is Taxable** |
| Below $32,000 | All Social Security income is tax-free |
| $32,000 - $44,000 | Up to 50% of Social Security benefit may be taxable |
| More than $44,000 | Up to 85% of Social Security benefit may be taxable |

Source: https://www.irs.gov/pub/irs-pdf/p915.pdf

# Will Having a Job Impact My Benefits?

Under the Earning Test, if you're younger than full retirement age, there is a limit to how much you can earn and still receive full Social Security benefits.

If you're younger than full retirement age during all of 2026, there will be a deduction of $1 from your benefits for each $2 you earn above $24,480.

If you reach full retirement age during 2026, there will also be a deduction of $1 from your benefits for each $3 you earn above $65,160 until the month you reach full retirement age.

Source: https://www.ssa.gov/news/en/cola/factsheets/2026.html

## THE RETIREMENT EARNINGS TEST

**Applies only to people below normal retirement age (NIRA). Social Security withholds benefits if your earnings exceed a certain level, called a retirement earnings test exempt amount, and if you are under your FRA.**

Source: https://www.ssa.gov/policy/docs/program-explainers/retirement-earnings-test.html

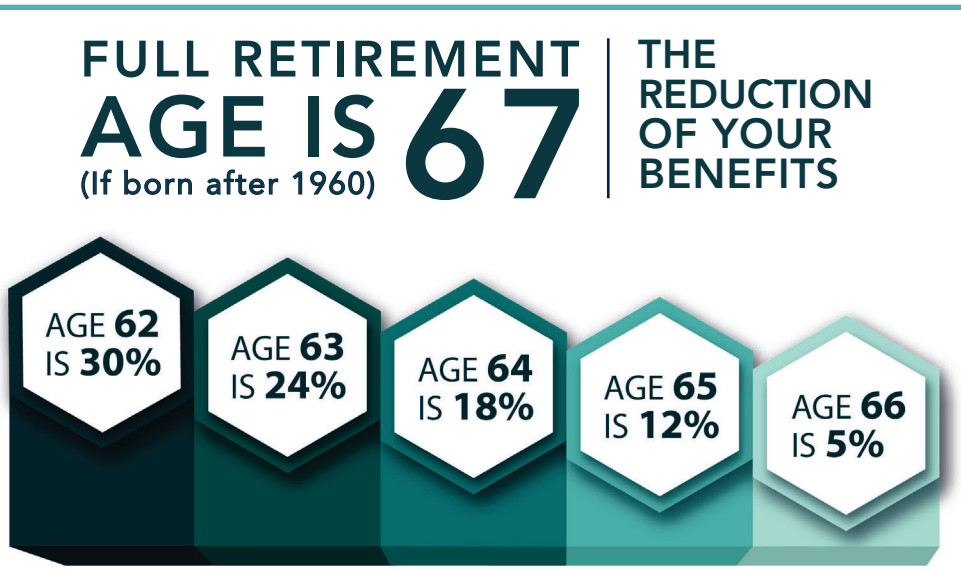
## *Questions to Discuss with Your Financial Professional:*

1. **Should I claim Social Security while I continue to work, even though I am under the normal retirement age?**
2. **Is it in my best interest to not earn over the exempt amount or not work completely if I claim Social Security under the normal retirement age?**
3. **Can I afford to wait to take Social Security until retirement or I have reached full retirement age?**

## Can I Take Social Security Benefits Early?

You are able to access your Social Security benefits as early as age 62, but the benefit amount you receive will be less than your full retirement benefit amount.

If you start your benefits early, your Social Security will be reduced based on the number of months you receive benefits before you reach your retirement age.




Source: https://www.ssa.gov/benefits/retirement/planner/agereduction.html

However, taking Social Security benefits early does have its pros and cons. Although you are able to utilize your benefits early and ultimately conserve assets towards your overall retirement, requesting social security before your full retirement age may have an effect on your long-term retirement.

If you choose to take Social Security benefits early, you will encounter permanent reductions, which vary with age. In addition, this decision may hinder future employment, as well as, affect the amount of widow's benefits available, should you need it.

### *Questions to Discuss with Your Financial Professional:*

1. **What are the long term effects of requesting Social Security benefits early?**
2. **How does this affect survivor's benefits?**
3. **Can I still work after claiming Social Security early?**

## Do I Qualify for Social Security Disability Insurance?

Social Security Disability Insurance pays benefits to you and certain members of your family, through Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI), if you are "insured," meaning that you worked long enough and paid Social Security taxes.

Social Security pays benefits to people who cannot work because they have a medical condition that is expected to last at least one year or result in death. Federal law requires this very strict definition of disability. While some programs give money to people with partial disability or short-term disability, Social Security does not.

Source: https://www.ssa.gov/benefits/disability/

### *Questions to Discuss with Your Financial Professional:*

1. **How is the amount of my benefit determined?**
2. **What happens when I hit full retirement age?**
3. **How does this affect my spouse?**

# How Social Security Affects Your Family

## What are Spousal Benefits?

Spousal benefits can be attained even if you did not qualify for your own benefits. However, if you did qualify for your own benefits, under certain circumstances you can take spousal benefits or file a restricted claim, which allows your personal benefits continue to grow.

However, with spousal benefits, even if you have never worked under Social Security, your spouse may be able to get benefits if he or she is at least 62 years of age and you are receiving retirement or disability benefits. He or she can also qualify for Medicare at age 65.

**RESTRICTED CLAIM:**

- Must be at or over full retirement age
- Must be born before January 2, 1954
- Can switch from spousal benefit to own benefit later

VS.

**SPOUSAL BENEFIT:**

- Must turn on your own benefit
- Can take as early as age 62 (with reduction)
- Must qualify to receive

## MEDICARE

Medicare is our country's health insurance program for people age 65 or older. The program helps with the cost of health care, but it does not cover all medical expenses or the cost of most long-term care.

When you sign up for Medicare, you will be asked if you want to enroll in Medical Insurance (Part B).

If you do not choose to enroll in Medicare Part B and later decide to do so, your coverage may be delayed and you may have to pay a higher monthly premium unless you qualify for a "Special Enrollment Period."

Source: https://www.ssa.gov/planners/retire/justmedicare.html

# What are Spousal Benefits? (*Continued*)

## SPECIAL ENROLLMENT PERIOD (SEP)

If you qualify, the Special Enrollment Period will allow you to sign up for Medicare Part B during two specific time frames:

- Any month you remain covered under the group health plan and your, or your spouse's, employment continues.
- The 8-month period that begins with the month after your group health plan coverage or the employment it is based on ends, whichever comes first.

However, there is an exception if your group health plan coverage or the employment it is based on ends during your initial enrollment period for Medicare Part B, you do not qualify for a SEP.

Source: https://www.ssa.gov/hlp/isba/10/hlp-med003-partb2.htm

**If your spouse** qualifies for spousal benefits on his or her own record, that amount will be paid first. If the benefit on your record is higher, your spouse will get an additional amount off your record so that the combination of benefits equals that higher amount.

- If your spouse was born before January 2, 1954 and has already reached full retirement age, he or she can choose to receive only the spouse's benefit (restricted claim) and delay receiving his or her retirement benefit until a later date.
- If your spouse's birthday is January 2, 1954 or later, the option to take only one benefit at full retirement age no longer exists.
- If your spouse files for one benefit, he or she will be effectively filing for all retirement or spousal benefits. This is known as deemed filing.

### *Questions to Discuss with Your Financial Professional:*

1. **Am I eligible for spousal benefits?**
2. **When can I claim spousal benefits?**
3. **Does it hurt my spouse if I take spousal benefits?**

Source: https://www.ssa.gov/planners/retire/yourspouse.html

### DEEMED FILING

**Means that when you file for either your retirement or your spouse's benefit, you are required or "deemed" to file for the other benefits as well. The Bipartisan Budget Act extends deemed filing rules to apply at full retirement age (FRA) and beyond.**

Source: https://www.ssa.gov/planners/retire/deemedfaq.html

# What are My Options if I am Divorced?

If you are divorced, your ex-spouse can receive benefits based on your record, even if you have remarried, if:

- Your marriage lasted 10 years or longer
- Your ex-spouse is unmarried
- Your ex-spouse is age 62 or older
- The benefit that your ex-spouse is entitled to receive based on his or her own work is less than the benefit he or she would receive based on your work
- You are entitled to Social Security retirement or disability benefits

If you have not applied for retirement benefits, but can qualify for them, your ex-spouse can receive benefits on your record if you have been divorced for at least two years.

If your ex-spouse is eligible for retirement benefits on his or her own record, that amount will be paid first. If the benefit on your record is higher, he or she will get an additional amount off of your record so that the combination of benefits equals that higher amount.

Source: https://www.ssa.gov/planners/retire/yourdivspouse.html

### *Questions to Discuss with Your Financial Professional:*

1. **Can I get spousal benefits?**
2. **Do I qualify for survivor benefits?**
3. **Can two ex-spouses receive benefits?**

# What Should My Family Know About Survivor/Widow's Benefits?

Most of us don't like to talk about death or even think about it. But wouldn't you feel better knowing that, if you or your spouse were no longer living, Social Security would help take care of your family?

If you are working and paying into Social Security, some of the taxes you pay go toward survivors insurance. In fact, if you currently have life insurance, the value of your private policy is probably less than the value of the survivors insurance you have under Social Security.

**Your spouse and children could be eligible for benefits based on your earnings.**

- Your widow or widower may be able to get full benefits at full retirement age
- The full retirement age for survivors is age 66 for people born in 1943-1954
- The full retirement age will gradually increase to age 67 for people born in 1960 or later
- Your widow or widower can get reduced benefits as early as age 60
- If your surviving spouse is disabled, benefits can begin as early as age 50

# What Should My Family Know About Survivor/Widow's Benefits? *(Continued)*

Also, your widow or widower can get benefits at any age if they take care of your child younger than age 16 or disabled, who's receiving Social Security benefits.

- Your unmarried children, younger than age 18 (or up to age 19 if they're attending elementary or secondary school full time), can also get benefits
- Children age 18 or older with a disability that began before age 22 can get benefits
- Social Security may also apply to your stepchildren, grandchildren, stepgrandchildren, or adopted children

### *Questions to Discuss with Your Financial Professional:*

1. **Should I take survivor benefits now?**
2. **Does working affect survivor benefits?**
3. **Can I switch benefits in the future?**

Source: https://www.ssa.gov/planners/survivors/

**"An Investment in Knowledge Always Pays the Best Interest."**

**- Benjamin Franklin**

# Do I Qualify for Benefits for Surviving Divorced Spouses?

If you've been divorced, your former wife or husband, age 60 or older (50-59 if disabled) can get benefits, if your marriage lasted at least 10 years.

Your former spouse, however, doesn't have to meet the age or length-of-marriage rule if they take care of your child who is younger than age 16 or disabled, and entitled on your record. The child must be your former spouse's natural or legally adopted child.

Benefits paid to you as a surviving divorced spouse won't affect the benefit rates for other survivors getting benefits on the worker's record. If you're the surviving divorced mother or father, with the worker's child under age 16 or disabled in your care, your benefit can affect the benefits of others on the record.

### *Questions to Discuss with Your Financial Professional:*

1. **Do I qualify for this benefit?**
2. **When can I claim Surviving Divorced Spouse benefits?**
3. **What will happen to my benefits if I remarry?**

Source: https://www.ssa.gov/planners/survivors/

# Conclusion

We hope that you've found this guide educational and informative and that you have come away with some ideas for how to maximize your Social Security benefits. It's absolutely critical to plan ahead now so that you can make the most of this invaluable resource. Every strategy will not work for every retiree, which is why it's so important to take the time to analyze your needs and test possible scenarios.

The new regulatory environment means that it's more important than ever to understand your Social Security options. The moral of the tale is this: you cannot depend on a single financial or retirement strategy to build a comfortable retirement. One of the benefits of working with a financial professional is that we keep track of changing retirement issues for you. We can help you analyze your financial situation and develop personalized recommendations designed to help you best leverage Social Security in light of your overall financial goals.

If you or anyone close to you would like to discuss how to maximize your Social Security benefits with a professional, please give our office a call to schedule a complimentary consultation.

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