FRANKLIN TEMPLETON INVESTMENTS

Social Security Options for Spouses, Widows and Ex-Spouses[1]

Choosing when and how you apply for Social Security can have a big impact on the size of your benefit. This decision becomes significantly more complex if you are or were the member of a married couple. The chart below looks at the relationship between a "**Worker**" and the worker's "**Spouse**" and can help you begin to understand your options—and their consequences.

- **Worker** refers to the individual who is/was the primary or higher wage earner
- **Spouse** refers to the individual claiming benefits based on the Worker's earning history

It's a good idea to confirm your choice by consulting a Social Security representative.

	If Spouse Is:		
	Current Spouse	**Divorced Spouse**	**Widow(er)/Surviving Divorced Spouse**
Earliest Age to Begin (Reduced) Benefits[2]	62[2]	62[2]	60[3] 50, if disabled
Maximum Benefit	50% of Worker's PIA[4] (adjusted for COLA)	50% of Worker's PIA[4] (adjusted for COLA)	100% of Worker's PIA[4] (adjusted for COLA and DRCs earned by Worker)
Special Considerations	Worker must be receiving benefits for Spouse to receive benefit	• Must have been married at least 10 years • Not entitled to receive higher benefit on your own work record • Worker is receiving benefits • If Worker is *not* receiving benefits but qualifies, you must be divorced for at least 2 years	• Must have been married at least 9 months prior to the Worker's date of death; however, there are exceptions[5] • If you begin widow's benefit at age 60, at age 62 you can switch to benefits based on your own work record if this is higher – If you switch after your FRA, you will receive Delayed Retirement Credits • If you re-marry, at age 62 you may switch to spousal benefits based on your new spouse's record, if this is higher
Impact on Benefit Amount Paid to Worker	None	None	None
If Worker Started Benefits Prior to FRA	Spousal benefit is not affected	Spousal benefit is not affected	The maximum benefit is limited to what the Worker would receive if he or she were alive
If Spouse Has Not Reached Full Retirement Age (FRA) and Continues to Work	Benefits will be reduced by $1 for every $2 you earn over that year's limit[6]	Benefits will be reduced by $1 for every $2 you earn over that year's limit[6]	Benefits will be reduced by $1 for every $2 you earn over that year's limit[6]
If Re-marry	NA	• You must be unmarried when you file for spouse benefits • Generally lose benefit until new marriage ends by divorce, death or annulment[7]	• Must be unmarried when you file for widow(er)'s benefits or your new marriage must be one that Social Security can disregard[8] • Can continue to receive benefit if re-marry after age 60/50, if disabled

This information is not meant to be all-inclusive. It is strongly recommended that each individual meet with a Social Security representative who can address his/her specific situation. A wealth of information, including interactive calculators, can be found at the Social Security Administration's website: http://www.ssa.gov/pgm/retirement.htm.

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Social Security Changes for 2014[9]

- Maximum earnings subject to Social Security tax: $117,000
- Earnings needed for one quarter of "credit": $1,200
- Maximum benefit: $2,642/month
- Average monthly benefit paid to retirees: $1,294/month (increase of $19/month)

1. Source: Social Security Administration.

2. Spouse benefit reduction chart found at: http://www.socialsecurity.gov/retire2/agereduction.htm. Maximum reduction is 30–35%, depending on FRA 66-67.

3. Widow(er)/Surviving Divorced Spouse benefit reduction chart found at: http://www.socialsecurity.gov/survivorplan/survivorchartred.htm. Click on the year that corresponds to when you were born to find the fractional amount by which your benefit will be reduced based on the precise age at which you apply for benefits.

For instance, if you were born from 1945–1956, your FRA is 66. You will receive 100% of your survivor's benefit at this age. However, if you start receiving benefits the month you turn 60, your survivor's benefit will be reduced to 71.5% of this amount (i.e., 28.5% less). If you begin benefits when you turn age 60 and 8 months, it will be reduced to 74.7% (i.e., 25.3% less), etc.

4. Primary Insurance Amount. Benefit Worker is entitled to at his/her Full Retirement Age.

5. Some of the exceptions to the general rule that you must be married to the Worker at least 9 months prior to their death in order to qualify for widow(er) benefits are:

- Claimant is the mother or father of the Worker's child (even if the child is now deceased)
- Claimant, while married to the Worker, legally adopted the Worker's child before the child reached aged 18
- Claimant was entitled or potentially entitled to any of the following benefits under the Social Security Act in the month before the month he/she married the deceased Worker:
  - *Spouse–including deemed or divorced spouse
  - *Widow(er)–including deemed widow(er) or surviving divorced spouse
  - *Father or mother–based on the record of a fully insured individual
  - *Parent
  - *Childhood disability benefits (CDB)
- Claimant was entitled or potentially entitled to a widow(er)'s, child's (age 18 or older) or parent's annuity payment under the Railroad Retirement Act (RRA) in the month before he or she married the deceased Worker

6. The earnings limit for 2014 is $15,480. In the year you reach your FRA, through the month before the month of your birthday, benefits are reduced by $1 for every $3 you earn over that year's limit. This earnings limit for 2014 is $41,400.

7. Even though you re-marry, in certain cases you can continue to receive benefits based on the work record of your former spouse. This would be the case if, for instance, your new spouse is someone of the opposite sex who is receiving widow(er) or parent's benefits.

8. Social Security can disregard a new marriage under certain circumstances. An example would be in the case of a disabled widow(er) or a disabled surviving divorced spouse who is at least age 50 but not yet 60 who re-married after age 50 and was disabled at the time of the re-marriage.

9. OASDI and SSI Program Rates & Limits 2014, www.ssa.gov.

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