

# Last Chance to Use File and Suspend Strategy for Claiming Social Security Benefits



Time is running out to use a potentially very lucrative Social Security benefits-claiming strategy. Spouses will no longer be able to use the “file and suspend” strategy after April 29, 2016. Beware, however, that the new rules are causing confusion at some Social Security offices.

The federal budget agreement that was signed in fall 2015 ended two Social Security strategies that some spouses have used to maximize benefits. The “File and Suspend” strategy allowed a worker to file for benefits and then suspend them. The worker’s spouse or children could then begin to receive spousal or children’s benefits while the worker postponed receiving benefits and continued to earn retirement credits. Under the new law, which takes effect April 29, 2016, a spouse cannot begin receiving benefits until the worker is actually receiving benefits, too. Workers can still file and suspend, but spouses (or other dependents, including minor and disabled children) cannot receive benefits during the suspension. There is an exception for divorced spouses. A divorced spouse can continue to receive spousal benefits if the worker suspends benefits. The second strategy, “Claim Now, Claim More Later,” allowed a spouse at full retirement age to choose whether to take spousal benefits or benefits on his or her own record. Under the new law, if you were not 62 years old by January 2, 2016, you do not get to choose which benefit to take. You may take whichever benefit is higher, but you cannot take spousal benefits and then switch to your own

record later.

If you are at 66 years old or older before April 29, 2016, you should immediately consider whether or not you want to file and suspend your Social Security benefits. If you do not file and suspend before April 29, 2016, your spouse will not be able to collect spousal benefits unless you are also receiving benefits. Filing and suspending can be a beneficial strategy for certain couples. For example, suppose a husband is 66 and his wife is 65. The husband can file and suspend before April 29, 2016. Because the wife was 62 years old or older on January 2, 2016, when she turns 66, she can choose to take her spousal benefit while her own benefit continues to accrue. Meanwhile, the husband continues to work, so his benefit is also growing.

If you do decide to file and suspend before the deadline, beware that according to articles in [Forbes](#) and [Investment News](#), some Social Security offices are giving out incorrect information about using file and suspend before the new law takes effect, claiming that a worker can only file and suspend if his or her spouse is also 66. While Social Security has issued emergency memos about the changes to field offices, they have yet to issue formal guidance. If you run into trouble with a Social Security office, you may need to be persistent to get the correct information. **Update: Social Security has published answers to frequently asked questions on file and suspend and on “claim now, claim more later” (which it calls deemed filing).** For the first, [click here](#); for the second, [click here](#). For an article on Social Security’s explanation of its new rules, [click here](#).

For more information about Social Security, [go here](#).