



## KORBITZ FINANCIAL PLANNING

*Your goals. Your plan. Your terms.*

President Obama signed the “Bipartisan Budget Act of 2015” into law on Monday November 2<sup>nd</sup>, 2015. Included in this legislation is a change to a Social Security claiming strategy, the so called “File and Suspend” approach, which has been around for over 15 years. The changes to this approach may affect you, and you may need to take action in the next six months to preserve certain options.

Social Security claiming is a very complicated subject. Due to the complex nature of this strategy, I am going to forgo an attempt at explaining the specifics of File and Suspend. Rather, I am going to let you know who may be affected. If you are not familiar with File and Suspend (which is a technique that has allowed many workers to maximize their Social Security benefits over a lifetime) and want to read more about it, you can at the following link to the Social Security Administration website:

<https://www.socialsecurity.gov/planners/retire/suspend.html>

Here is a list of who is **NOT** affected by this change:

1. If you are **older than age 70 prior to April 30, 2016, you will not be affected.** The reason for this is that there is no benefit whatsoever to delaying taking Social Security beyond age 70, so you are more than likely receiving your benefit already.
2. If you are **younger than age 62 in 2015 (e.g. you will NOT be 62 before the end of 2015), you will not be affected.** The reason for this is that all of the changes will impact you at a later date.
3. **If you have already Filed and Suspended your benefits and your spouse is receiving a spousal benefit, you will not be affected.** The reason for this is that the legislation grandfathers those who have already made this election.

Here is a list of who **MAY** be affected by this change:

1. **If you will be 66 prior to April 30, 2016,** and you are not already receiving Social Security, you still have a limited opportunity to File and Suspend your benefits, so long as you do so by April 30, 2016.
2. **If your spouse has already Filed and Suspended,** and **you are at least 62 in 2015,** then you will still be able to file a Restricted Application for spousal benefits when you reach Full Retirement Age, which is 66.

There are also some changes to the rules that affect previously married (e.g. divorced) individuals. Again, the complexity of the changes precludes any attempt to explain them here.

As noted above, this is a complex subject. If you are in the group who may be affected by this change, and you would like to schedule a Social Security consultation, please contact me.

P.O. Box 170049 | Milwaukee, WI 53217 | Phone: 414-979-1040

KorbitzFinancialPlanning.com