SPOUSAL BENEFITS

The general concept is that a recipient receives the greater of their own benefit based on their own work history or 50% of their partners benefit.

You do not need to tell the system that you want spousal benefits included. It is automatically calculated and included when appropriate based on the other facts of the case.

FULL RETIREMENT AGE AMOUNT VS. ESTIMATE FROM INCOME

The two most common ways to calculate benefits in the system are to use "Estimate from Income" or "Full Retirement Age Amount".

FULL RETIREMENT AGE AMOUNT

If you or your clients have access to their Social Security statement, then using Full Retirement Age amount is recommended. This value is prominently displayed on the new Social Security statement on the top right of page 1.

You enter the value shown (red arrow) on your statement into the system as the Annual Amount and then enter when you want to start the benefits. The system will increase or decrease the retirement benefit based on your start age. You do not need to make the adjustments yourself.

ESTIMATE FROM INCOME

The system estimates the benefit based on the current income entered in Fact Finder and an estimated work history entered in the Social Security node of the Advanced Fact Finder. This is more commonly used for younger clients who do not have a social security statement.

EXEMPT PENSION

This is for workers whose occupation is not part of the social security program. The system will not reflect any benefits for this person and the cash flow will reflect no social security tax being applied to their income.
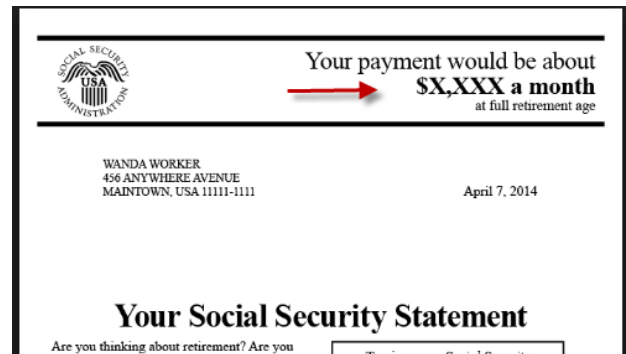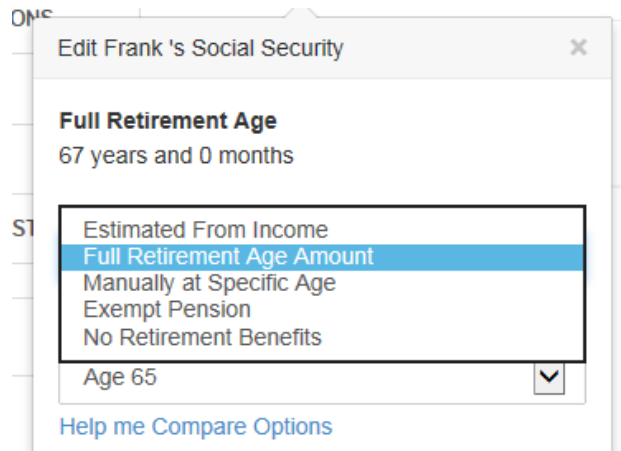

Fig 1. Social Security Statement

Fig 2. Calculation Drop-down

eBlog emoneyadvisor.com/blog | LinkedIn/eMoneyAdvisor | @eMoneyAdvisor | facebook.com/eMoneyAdvisor

eMoney Advisor, LLC 1001 E. Hector Street, Suite 401 | Conshohocken, PA 19428 | Telephone: 1-888-362-4612 | emoneyadvisor.com

NO BENEFITS

Use this for a client who has no work history and no current salary. It can also be used for situations where you don't want to include social security as part of the plan even if the client or spouse is eligible. In this case, set both people to "No Benefit". Earnings will be subject to social security tax.

FILE AND SUSPEND

There is no choice for File and Suspend in the system. The system will deduce whether file and suspend is needed based on the other facts entered.

RESTRICTED SPOUSAL BENEFITS

You can set either the client or spouse to receive a Restricted Spousal Benefit but not both. You tell the system when the client and spouse want to start their own retirement benefits based on their own record.

If either the client or spouse has Restricted Spousal Benefit set to "Yes", then the system will automatically start restricted benefits as soon as possible based on ages. You do not need to tell the system when to start the restricted spousal benefit.

CASH FLOW REPORT – SOCIAL SECURITY DRILLDOWN

This report has been updated to break out each person's benefit into the type of benefit being received. This allows you to reflect the timing of each benefit type and how they work together.

DECISION CENTER

Decision Center is an excellent tool for highlighting the potential benefits of different claiming strategies or ages. Fig 3 shows receiving at 65 vs delaying to age 70 and the spouse taking a restricted spousal claim. The chart shows the temporary decrease in assets and then the significant increase over time.
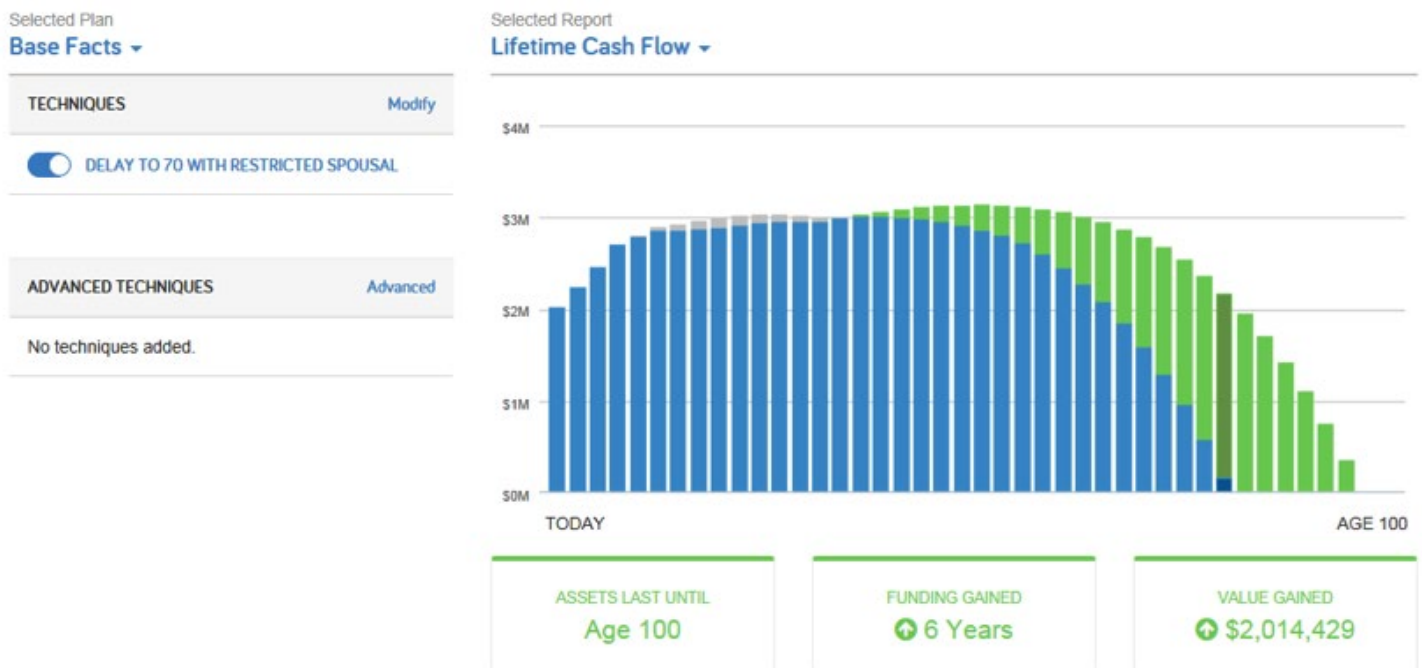

Fig 3. Decision Center

e**Bl**🌐**g** emoneyadvisor.com/blog | LinkedIn/eMoneyAdvisor | @eMoneyAdvisor | facebook.com/eMoneyAdvisor

eMoney Advisor, LLC 1001 E. Hector Street, Suite 401 | Conshohocken, PA 19428 | Telephone: 1-888-362-4612 | emoneyadvisor.com