

Social Security Update:
New Rules under the Bipartisan Budget Act of 2015

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crr.bc.edu

Strange, But True: Unusual Strategies for Claiming Social Security Benefits

- Borrow and Invest
- Claim Now, Claim More Later
- Claim and Suspend

Borrow and Invest: Then

- Claim and invest early retirement benefits
- Repay collected benefits and pocket the profit
- Reapply for higher benefits

Borrow and Invest: Now

You can use this strategy to fix a mistake if you do so within one year and all benefits collected are repaid.

Claim Now, Claim More Later: Then

- One worker claims full spouse's benefits at full retirement age.
- That same worker switches to delayed worker's benefits at age 70.

Claim Now, Claim More Later: Now

- People implementing the strategy now are grandfathered.
- People 62 or older on December 31, 2015 may still implement the strategy.
- Everyone else is out-of-luck!

Claim and Suspend: Then

- The worker claims and immediately suspends benefits, allowing the spouse to claim spouse's benefits
- The worker claims delayed retirement benefits down the road.

Claim and Suspend: Now

- People implementing the strategy now are grandfathered.
- People who (1) are 66 or older and (2) apply for benefits on or before April 29, 2016 may still implement the strategy.
- Everyone else is out-of-luck!

Although the Bipartisan Budget Act of 2015 repeals provisions of the Senior Citizens Freedom to Work Act of 2000 that enabled the Claim Now, Claim More Later and Claim and Suspend strategies, all is not lost. For those who are impacted, it will just take a few more years to breakeven when benefits are delayed.