

Money Tips: Social Security and your Divorce



After 10 Years of Marriage, Social Security Can Be a Benefit of Divorce

If you're in the middle of a divorce and overwhelmed by documentation of income, budgets and marital assets, take heart. Social Security may be a pillar you can count on for your senior years, assuming you and your (soon to be) ex have been married for at least 10 years and at least one of you has earned entitlements.

There are two major advantages to Social Security during divorce. The first is that benefits are not a negotiation point and whatever payment one party receives in retirement years will have no impact on the other party. The second is that as the cost of living increases each year, Social Security payments also go up in line with inflation (as measured by the percentage increase in the Consumer Price Index from the third quarter of one year to the third quarter of the next). So although Social Security is usually not a sufficient retirement plan by itself, at least it can potentially be a reliable source of income for those eligible and a comfort to many going through divorce.

Here are some interesting facts about Social Security retirement benefits and divorce:

1) If you divorce after at least 10 years of marriage and don't remarry, you can collect retirement benefits on your former spouse's Social Security record if you are at least age 62 and if your former spouse is entitled to or receiving benefits. This is true whether your ex remarries or not.

- 2) Full retirement age for Social Security is 65 for those born in 1937 or before and 67 for those born in 1960 or after. For those born in between these years, there is a sliding scale. You can still begin accessing Social Security retirement benefits at age 62, but you will lock in a payment stream that is approximately 30 percent lower than if you wait until your full retirement age.
- 3) The amount you are entitled to receive is 50 percent of your ex's Social Security benefit or your own benefit based on your employment history, whichever is greater.
- 4) If you remarry, you generally cannot collect benefits on your ex's record unless your later marriage ends (whether by death, divorce, or annulment).
- 5) If your divorced spouse dies, you can receive 100 percent of his benefits as a widow/widower if the marriage lasted 10 years or more.
- 6) Depending on your income bracket, 85 percent of Social Security benefits can be taxable.
- 7) One benefit to Social Security is that even if you collect benefits off your ex's record, this does not impact his benefit in any way so it is not a negotiation point in divorce. In fact he doesn't even have to know when you start receiving benefits. For more information, check out the Social Security Administration's Web site at www.ssa.gov.

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