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## Financial Planning Changes in Social Security Rules

Starting in 2016, the Bipartisan Budget Act of 2015 made certain changes to two different strategies for claiming Social Security benefits: File and Suspend, an Restricted Application.

### File and Suspend (Voluntary Suspensions):

Previously, an individual who had reached Full Retirement Age (66 years old) could file for benefits and immediately suspend them in order to trigger benefits for a spouse or dependent child while their own retirement benefit continued to accumulate 8% per year Delayed Retirement Credits up to age 70. The new legislation will no longer allow family members to collect on an individual's earnings record while their benefits are suspended. The new law eliminates the "file and suspend" strategy beginning 180 days after enactment, which is expected to be May 1, 2016. Thus, individuals who suspended benefits in the past or do so before that date will be "grandfathered" under the old rules.

### Restricted Application:

Previously, a married individual who was eligible for both a spousal benefit and a retirement benefit based on his or her own work could choose to elect only a spousal benefit at Full Retirement Age. This allowed an individual's own benefit to grow by 8% per year and then he or she could switch to this larger benefit in the future up to age 70. The Act phases out this claiming strategy.

### Summary:

	File and Suspend			Restricted Application		
	Born April 30, 1950 or earlier	Born 1953 or earlier (or on January 1, 1954)	Born January 2, 1954 or later	Born April 30, 1950 or earlier	Born 1953 or earlier (or on January 1, 1954)	Born January 2, 1954 or later
Individual	Must be at FRA and complete file and suspend by April 29th, 2016 for future reinstatement	No future lump sum reinstatement		N/A		
Married	Still available at FRA. Must file by April 29th, 2016	Not eligible		Still available at FRA if eligible or spousal benefits		Not eligible
Surviving Spouse	New rules do not apply. Can still independently choose the timing of when to start survivor and individual retirement benefits.					
Parents with Dependent/Disabled	Still available at FRA. Must file by April 29th, 2016	Not eligible, but can still start-stop-start		N/A		
Unmarried Divorced (previously married more than 10 years)	Not applicable			Still available at FRA if eligible or spousal benefits		Not eligible

For more information, please call our office at 845-331-3600 or visit our webpage at [www.gagnoncpa.com](http://www.gagnoncpa.com)