

## MEENA'S MONTHLY FOCUS ON SOCIAL SECURITY

Hello Friends,

Time flies. We are now officially only days away from the end of the tax season. Next month this time, I hope some of you will be lying on the beach somewhere, reading a frivolous book, and sipping an icy drink with a silly, colorful umbrella.

This month, let's talk about time and timing...

### ~ HIGHLIGHTS ~

#### **No Change to Divorced Spousal Benefits:**

Ever since the President signed into law a bipartisan budget bill last November that eliminated a few perceived Social Security loopholes, the lingering question has been how divorced benefits would be impacted.

Based on the new file and suspend rule, technically no one can collect benefits on a worker's work record if that worker chooses to "suspend" his benefit. This means if Jane your client has been collecting divorced spousal benefit on her ex, Bob's work record, will Jane's benefit go away if Bob decided to suspend his benefit?

This month, Social Security Administration came out with this clarification: The new rules for file and suspend will **not** affect divorced spousal benefits. This means even if Bob suspended his benefit, Jane could continue to get her benefit.

#### **Timing is Everything for Delayed Retirement Credit:**

Most of you know Social Security provides [delayed retirement credits](#) (DRCs) to those who choose to delay their SS benefits beyond their [full retirement age](#) (FRA). The credit begins with the month your client turns full retirement age and ends no later than the month your client reaches age 70. All this is fairly straightforward unless your clients begin their benefit sometime between their full retirement age and age 70.

Here's how it works.

Say Janet your client started her SS at age 70 on December 15<sup>th</sup>, her **first** benefit check would be 32% more than what she would have received at her FRA. So if her FRA benefit was \$1,000, her first benefit check at age 70 would be \$1,320.

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However, if Janet started her benefit at 69 ½ on June 15<sup>th</sup>, her first benefit check would only include DRCs through **December of the previous year**. This means her first benefit check would only be 21% more instead of 26% more, or \$1,210 instead of \$1,260. The other 5% DRC would not be added to her benefit check until January next year. So if you have clients who wanted to start their SS between their FRA and age 70, be sure to take this into consideration.

### **Timing Your Medicare Application:**

Barring a few exceptions, Medicare coverage officially begins at age 65. If your clients have already started their Social Security, they will be automatically enrolled in Medicare Parts A and B when they turn 65 and the premiums will be automatically deducted from their benefit check. Medicare will also send them their Medicare card three months before their 65<sup>th</sup> birthday.

If your clients wanted to start Social Security at age 65, they can apply for both SS and Medicare at the same time using the same application. They should do it three months prior to their 65<sup>th</sup> birthday.

If your clients have not started or do not want to start their Social Security at age 65, they will need to apply for Medicare separately and preferably three months before their 65<sup>th</sup> birthday. One of the best ways to do that is to apply online through [this Social Security's website](#) as the information collected here will allow your clients to have their Medicare premiums taken from their Social Security check down the road when they begin their SS benefit.

## ~ ON A PERSONAL NOTE ~

### **Personal Note:**

I have had some great doctors in my life. My acupuncturist was one of them. She has the kind of bedside manner that is both soothing and reassuring. When you talk to her, you get the distinct sense that she is listening to you. But like dating where we have to kiss a few frogs to get our prince, I went through my share of frogs before finding my princess.

Last week, I went to see a new doctor who constantly glanced at his phone while talking to me. I have the feeling he isn't going to be my prince.

While I understand everyone's time is limited and multitasking is a way to leverage that limited time, *stress*, as someone wise once told me, *is being here and wanting to be someplace else*. It was clear that my new doctor was stressed out. And it was clear that he wanted to be someplace else, which would make the two of us.

Happy Spring!

Meena

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### **Meena S. Cheng, CFP®, Principal**

11335 NE 122<sup>nd</sup> Way | Suite 105 | Kirkland, WA 98034

P 425.273.0736 | F 877.933.9946

mcheng@impactfinancialpnw.com | [www.impactfinancialpnw.com](http://www.impactfinancialpnw.com)

