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Release Notes

Monday, November 2, 2015

Revised Thursday, November 5, 2015

Social Security Timing® software is now updated to incorporate changes arising from the enactment of the Bi-partisan Budget Act of 2015.

Here is a summary of the impact on the calculations and reports:

Widow: Widow planning was not impacted at all. All switch strategies in the software are still available.

Single: The impact on planning for singles is very simple. Clients born on or before May 1st, 1950, for whom the optimal strategy would delay benefits past Full Retirement Age, should file and suspend as soon eligible – either immediately or upon reaching FRA. The suspension must be received prior to April 30th in order to fall under the old rules. Suspending benefits under the old rules should preserve the option to request a retroactive lump-sum payment should the clients circumstances change while benefits are suspended. These instructions are now present in the software report.

Married: The impact on planning for couples is nuanced. There are now three sets of rules:

- 1) People Born on or before 5-1-1950 (Turn 66 for Social Security purposes in April 2016) – Have access to both Voluntary Suspension that allows auxiliaries to claim as long as the request for Voluntary Suspension occurs prior to 4-30-2016. Restricted Application is available at FRA through age 70.
- 2) People Born on or after 5-2-1950 but before 1-2-1954 – Voluntary Suspension also suspends benefits of other auxiliaries, including spouses and children, and an individual whose benefit is in suspense can't receive spousal excess. This group still has access to the Restricted Application, FRA through age 70.
- 3) People born on or after 1-2-1954 - Voluntary Suspension also suspends benefits of spouse and children, and an individual whose retirement benefit is in suspense can't receive spousal excess. This group no longer has the option to file a restricted application for spousal benefits.

Divorced: The impact on divorced cases is very similar to married, however because our software assumes "Independently Entitled" status, the Voluntary Suspension rules aren't relevant. The important timelines are those born on or before 1-1-1954 who still have access to the Restricted Application and those born after, who do not.