Social Security Benefits for Divorcees

The rules of the divorced spouse benefit are very similar to the spousal benefit. It is possible in many cases for an individual to claim one benefit for a period of time and switch to different, higher benefit at a later date.

Among the rules for collecting a divorced spouse benefit are:

- You cannot be currently married;
- You must have been married at least 10 years;
- You must be at least age 62;
- If your divorce has not been final for two years, your former spouse must be receiving his or her own retirement benefits or have filed and suspended them;
- If your former spouse has not applied for benefits but is at least age 62, and your divorce has been final for at least two years, you can receive benefits;
- You must not be already receiving a benefit that is greater than the divorced spouse benefit for which you qualify.

You can be eligible for up to half of the ex-spouse’s full retirement benefit as long as you meet all of the criteria. To collect the full 50%, though, you cannot claim before reaching full retirement age.

Keep in mind, the amount of benefits the divorced spouse is eligible to collect will not impact the amount of benefits the former spouse or his or her current spouse might receive. And if you’ve already started collecting your own retirement benefit but believe you may be eligible for a higher divorced spouse benefit, contact the Social Security Administration to ask about adding the divorced spouse benefit.

It’s also important to note that, if you remarry, you will no longer be eligible for the divorced spouse benefit. AND you will not be eligible for a benefit on your new spouse’s earnings record until you have been married to that person for one year.

1) Let’s look at how a divorced individual can use a divorced spouse benefit while allowing his or her own benefit to grow.

If your former spouse earned significantly more money than you, there is a good chance his or her benefit amount will be larger than yours. That means, under certain circumstances, your divorced spouse benefit may be bigger than your own retirement benefit.

For instance, take Vicky who divorced at age 58. She worked only off and on over the years. Her benefit at her full retirement age was $1,094. Her ex-husband’s full retirement benefit was $2,410, meaning that her divorced spouse benefit at her full retirement age would be $1,205. At age 66, Vicky can claim...
$1,205 each month until age 70. When she reaches age 70, Vicky’s own benefit will have grown to about $1,444 and she can switch to the higher benefit. Assuming Vicky lives to age 90, the difference between starting her own benefit at age 66 and using our proposed strategy is $89,328.

It’s important to point out that, should Vicky be eligible for both a divorced spouse benefit and her own retirement benefit and try to claim before her full retirement age, she will not be able to choose which benefit to collect. She will automatically receive the higher benefit and cannot let her own benefit grow in order to switch at a later age. She must wait until full retirement age for this strategy to apply.

2) One Social Security benefit that few are aware of is the surviving divorced spouse benefit.

The rules for collecting the surviving divorced spouse benefit are the same as for collecting the divorced spouse benefit— with of course the obvious exception that your former spouse must be deceased.

If your former spouse is deceased and you otherwise meet the criteria for collecting the divorced spouse benefit, you can claim a surviving divorced spouse benefit on his or her earnings record. The amount of the benefit will be the same as for a current spouse. It will likely be the amount your former spouse was collecting at the time of death, or if benefits had not yet begun, the amount the decedent would have been eligible for if benefits had been claimed at that time.

Debbie is an example of how this rule works. Debbie had been married for more than 10 years at the time of her divorce. She never remarried and was worried she would have to live on her meager Social Security retirement benefit of just over $900 per month. Debbie was unaware that she was eligible to claim a divorced spouse benefit on her ex-husband’s earnings record. Her divorced spouse benefit would have been over $1,100 monthly—had her ex-husband not been deceased. Because of the surviving divorced spouse benefit, Debbie was able to collect over $2,200 monthly – far more than her own retirement benefit.

3) The rules around the divorced spouse benefit can be even trickier when an individual has more than one former spouse. It’s important to note that you can only collect on the earnings record of one worker at a time, but in some instances, it is possible to switch from one earnings record to another. Let’s look at a complicated example.

Diane was married to Phil for 15 years and to Jim for 21 years. Phil had been the higher earner during his career, and his full retirement benefit was $2,442. Jim’s full retirement benefit was less at $2,136. Diane had worked off and on during the marriages, and her own full retirement benefit was only $963. The Social Security Administration helped Diane determine which divorced spouse benefit would be higher, so at her full retirement age, Diane began collecting $1,221 on Phil’s earnings record. Her plan was to switch to her own benefit at age 70 when it would have grown to $1,271 – not a huge jump, but more money nonetheless.

Before Diane reached age 70, though, Jim passed away. Jim had waited until age 70 to begin his own benefits, meaning they had grown to $2,819. At that point, Diane became eligible to collect the surviving divorced spouse benefit of $2,819 – an increase in monthly benefits of $1,598 over what she was collecting on Phil’s earnings record. Assuming Diane lives another 20 years, that’s a cumulative difference of more than $383,000!
Assumptions:

Full retirement age is assumed to be 66 for all individuals in the examples. All dollars are shown in today’s dollars without the benefit of cost of living adjustments. Collecting any benefit prior to full retirement age results in a reduction in benefits.