

INVICTUS

WEALTH MANAGEMENT

WELLS FARGO ADVISORS FINANCIAL NETWORK

DIVORCE TIPS



HOW SOCIAL SECURITY PAYMENTS ARE AFFECTED BY DIVORCE

SOCIAL SECURITY AND DIVORCE

If a couple has been married for 10 years or longer and they get divorced, the wife is entitled to half the husband's Social Security provided certain provisions are met.

The wife is entitled to a former husband's Social Security benefit if:

- the ex-husband is entitled to receive Social Security benefits
- they had been married for 10 years before the divorce became final
- the wife is not married
- the wife is at her Full Retirement Age (FRA). Current FRA for people born after January 1, 1943 is between age 66 and 67. If the benefit is taken prior to FRA it is reduced and subject to the Annual Earnings Test until FRA which could eliminate the benefit if the spouse has employment income over the annual limit (\$19,560 for 2022.)
- the wife is not entitled to a social security benefit which equals or exceeds one-half the ex-husband's benefit.

This rule does not diminish the amount the husband receives at retirement.

HYPOTHETICAL EXAMPLE

A wife who is at her FRA or over and who has been divorced for at least two years will be able to receive benefits based on the earnings of a former husband regardless of whether the former husband has retired or applied for benefits.

Assume the husband will get \$750 a month when he retires. If they have been married 10 years or longer, she would be able to get \$375 (one-half of the husband's benefit) at her FRA.

Husband	\$750
Wife	\$375



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As a Certified Divorce Financial Analyst (CDFA®), I provide financial guidance to individuals facing divorce, and their attorney, through all stages of the divorce process. In addition to my investment planning background and CFP® designation, I've completed an intensive training program to become skilled in analyzing and providing knowledge regarding the financial issues of divorce.

What if he gets remarried? If he is married to his second wife for 10 years and they get divorced, Wife #2 gets \$375 at her FRA, Wife #1 gets \$375 at her FRA, and he still gets \$750. His limit is four wives. As long as he is married to each one for 10 years or longer, and they are at FRA, they each get half of his Social Security benefit.

Husband	\$750
Wife #1	\$375
Wife #2	\$375

What if the wife gets remarried? If she is married at her FRA, she looks to her current husband for her benefit. But if she has been married to Husband #2 for 10 years and they get divorced, she is entitled to half of Husband #1's benefits or half of Husband #2 benefits or her own, whichever is higher. She has a choice.

Husband #1	\$750	Husband #2	\$600
Wife	\$375	Wife	\$300

If Husband #2 is entitled to \$600 at retirement, she obviously will choose the benefits from Husband #1. They are more.

Assume she begins working after the kids are raised and that by the time she reaches her FRA, she is going to be able to earn \$450 from her own Social Security account. Now she has the choice at retirement time of taking \$450 from her own account, \$300 from Husband #2's account, or \$375 from Husband #1's account. She can only have one -- hers, his or his. Obviously, she would take her own account, which would pay her \$450 per month.

What if they get divorced and he dies? The wife is entitled to widow's benefits if:

- the deceased husband was entitled to Social Security benefits,
- they had been married for 10 years before the divorce became final,
- the widow is at age 60 or over, or is between ages 50 and 60 and disabled. She is entitled to her full 50% share at her FRA. Current FRA for people born after January 1, 1943 is between age 66 and 67. If the benefit is taken prior to FRA it is reduced and subject to the Annual Earnings Test until FRA which could eliminate the benefit if the spouse has employment income over the annual limit (\$19,560 for 2022.)
- the widow is not married, and
- the widow is not entitled to a retirement benefit that is equal to or greater than the deceased husband's benefit.

Wife #2 also gets widow's benefits if she meets the above five requirements.

A widow's remarriage after age 60 will not prevent her from being entitled to widow's benefits on her prior deceased husband's earnings.

A widow's remarriage before age 60 will prevent entitlement to widow's benefits unless the subsequent marriage ends, whether by death, divorce, or annulment. If the subsequent marriage ends, the widow may become entitled or re-entitled to benefits on the prior deceased spouse's earnings beginning with the month the subsequent marriage.

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