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## **Newsletter for May 2015**

Based on the inquiries I received, there seems to be some confusion about applying for spouse benefits and allowing your own benefit increase to age 70.

The other wage earner must either be collecting benefits or have filed and suspended at Full Retirement Age. Currently FRA is age 66.

The person filing for spouse benefits must be FRA. If that person files before FRA, they must take the higher of their own benefit and the spouse benefit. It is often a good strategy to collect the lower spouse benefit and let their own benefit increase. The additional increase on their own record is called Delayed Retirement Credits. DRCs increase the benefit on your own record by 8% per year.

Spouse benefits do not increase beyond FRA. Social Security regulations allow only 1 spouse to exercise this option.

If you need more information about this please call or write. We can then discuss the specifics of your situation.

Federal employees and Federal retirees, the House and Senate have both approved a Budget Resolution. It doesn't have the

force of law, but tells us what Congress is thinking about next year's budget. The vote was along party lines. The President has not said if he would sign a budget that would contain these items.

The budget bill will be considered sometime before the end of September. It only requires a majority vote in the Senate.

It provides for:

- An increase in contributions for retirement contributions by employees by 6%.
- A decrease in the rate of return for the G Fund.
- Increasing some Federal retirees' share of their health insurance premiums by basing the Government share on years of service.
- Increasing employees FEHB premiums by tying the employer contribution to inflation rather than the average cost of the plan.
- Eliminating the Special Retirement Supplement for FERS employees.

These are draconian proposals. Write your Congressperson, Senators and the President telling them how you feel about the proposed changes. Don't sit by while this is going on. The President should clearly state his position on these proposed changes.