

Decisions: Careful Claiming of Social Security Benefits Can Improve Financial Resources

You have likely heard that 10,000 Boomers a day are turning age 65 – and that by 2030 there will be about 73 million Americans age 65 or over. You may have also heard that millions of these retirees will not have enough retirement savings to last them throughout their longer lives. The average life expectancy for those who live to age 65 is age 88.8 for women and age 86.6 for men. Yet, in preparing for retirement, only **40%** of workers have taken the time to estimate the amount of their Social Security benefit and only **17%** have a written financial plan.¹

Social Security is the primary source of income for many women, making income from Social Security benefits more important than ever before. Yet many women do not know how much their benefits will be, when the best time to start taking benefits will be, and how widowhood and divorce affect benefits payments.

Women generally have lower worker benefits due to the wage gap between men and women, as well as caregiving years spent out of the paid workforce. The average monthly Social Security benefit for women in 2014 was \$1,167, which would likely be reduced further for Medicare Part B and Part D premium deductions.

A Quick Primer

The amount of your benefit will be based on your year of birth, your age when you start to collect and the earnings on which you paid Social Security payroll taxes. The best thing you can do to prepare is to open up a **my Social Security Account** at ssa.gov and check that your earnings record is correct.

In preparing for retirement, only 40% of workers have taken the time to estimate the amount of their Social Security benefit and only 17% have a written financial plan.

How it works: Women (and men) may be eligible for retirement benefits in several categories: as a worker, or spouse of a worker, or a divorced spouse, or a widow or widower, or surviving divorced spouse of a retired worker.

You can apply for worker benefits between the ages of 62 and 70 if you have 10 years of covered earnings, if you are the spouse or ex-spouse of an eligible worker (if you were married for 10 years or longer). A surviving spouse can apply at age 60 or later.

Worker and Spousal Benefits. You're eligible for your own worker benefit based on your own work history or up to 50% of your spouse's benefit, whichever is higher.

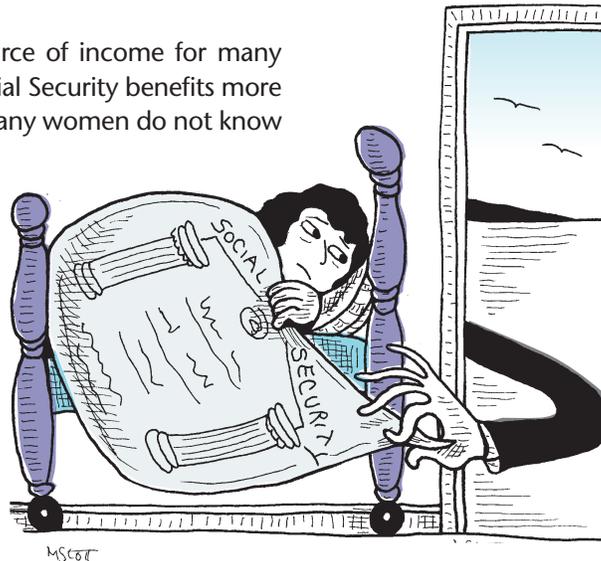
Spousal Benefits. are paid to you as a spouse or ex-spouse of a retired or disabled worker. The benefit is equal to half of the spouse's worker benefit. (This is one of the least understood benefits.) Benefits paid to an ex-spouse do not affect the worker's benefit or current spouse if he has remarried.

Survivor's (Widow or Widower) Benefits. You can receive a benefit of up to 100% of your deceased spouse's benefit if it is higher than

what you would receive as a worker.

Divorced Spouses Benefits. If you are divorced, you may be eligible for the same benefits as a current or surviving spouse, if your marriage lasted for 10 years or longer, even if your ex-spouse has remarried. You must not be currently married (unless you remarried after age 60). If you remarried and your later marriage ended, you may file for benefits based on the work record of either former spouse so long as each marriage lasted at least 10 years.

Social Security Claiming continued on page 5



From WISER's President



Dear Readers,

In this issue, we feature the recent changes to Social Security that can affect how married and divorced women can claim benefits. As a vital source of retirement income, especially for women, it is important to stay informed and keep up with the changes and new options that may affect your future for decades.

As noted on page 5, the Older Americans Act was also recently reauthorized and signed into law. The Act provides many services for seniors that help them maintain their health, security and independence. Finally, we share a personal story about a retirement decision many older adults are facing—do I stay where I am or move closer to my family? Retirement decisions are not always easy, but learning as much as you can will help you make the best choices possible.

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WISER

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From the WISER/Administration on Aging's NATIONAL RESOURCE CENTER on Women & Retirement Planning

Since 1998, the Administration on Aging has awarded a competitive grant to WISER for the design, execution and maintenance of The Center – a "one-stop" gateway for retirement planning.

Find an Unclaimed Pension!



Heard of the PBGC? It's the Pension Benefit Guarantee Corporation, the government agency that guarantees and protects the retirement incomes of more than 41 million American workers and their families.

Thanks to PBGC's unclaimed pension search, more people are claiming the pension they earned. To date, approximately 14,000 participants have collected about \$55 million in unclaimed pension benefits. But with about 30,000 people still owed benefits, the search continues.

"Our unclaimed pension search tool helps us locate and pay people who are owed benefits," said Tom Reeder, PBGC's director. "That's why this effort, finding those who are owed pension benefits, is very important to us."

PBGC updates the website, adding and removing names as needed. If you think you are owed a pension, try entering your name in the interactive search. If you find a match, the PBGC will work with you to get you what you are owed. Contact the PBGC at pbgc.gov or call 1-800-400-7242 or (202) 326-4000.

Help for Victims of Identity Theft



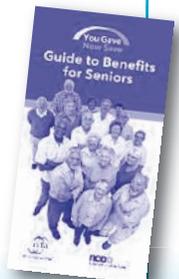
IdentityTheft.gov is the Federal Trade

Commission (FTC)'s free, one-stop resource to help people fix problems caused by identity theft. The site is making it easier for victims of identity theft to report it and recover from it. New features on the site allow people to get a personal recovery plan that walks them through each step; they can update their personal plan and track their progress, and print pre-filled letters & forms to send to credit bureaus, businesses, and debt collectors. No matter what your specific identity theft situation is, the complaint assistant at **IdentityTheft.gov** will help you report and recover from identity theft.

You can also visit ftc.gov/idtheft for prevention tips and free resources to share in your community. The entire site is also available in Spanish at **RobodelIdentidad.gov**.

You Gave, Now Save: A Guide to Benefits for Seniors

From the National Council on Aging, the *You Gave, Now Save* guide to benefits for seniors provides detailed information about the benefits programs available, who may be eligible, and how to get further information and application assistance. The guide includes benefits related to health care and prescriptions; food; housing and household utilities; income, tax, and legal support; and transportation. Download the free brochure at ncoa.org under the Economic Security/Money Management tab.



Checking In on The Fight for Equal Pay

You've probably already heard about the gender pay gap — the disparity in earnings between men and women that, despite national initiatives, laws, advocacy and widespread awareness, stubbornly refuses to close. In fact, the pay gap made headline news recently when the U.S. women's national soccer team filed a federal complaint accusing the U.S. Soccer Federation of pay discrimination. The lawsuit points out that female players make about 40 percent of what male players earn.

Closing the pay gap is important because it has a direct impact on women's ability to retire securely. That consequence is known as "the retirement wage gap;" when the lesser pay that women receive translates to less money in retirement benefits.

According to a recently released report from Third Way, "What's Holding Women Back from Equal Pay?", the average earnings for a man totaled \$50,383 in 2014; for a woman that number was \$39,621. That means that women earn approximately 80 cents for every dollar men earn on the job.

One reason for the pay gap is the sexism that exists at the workplace regarding "men's work" and "women's work." According to Third Way, the majority of top-earning jobs, like dentist or lawyer, are predominately held by men,

while the majority of low-earning jobs, like cashier or fast food worker, are predominately held by women.

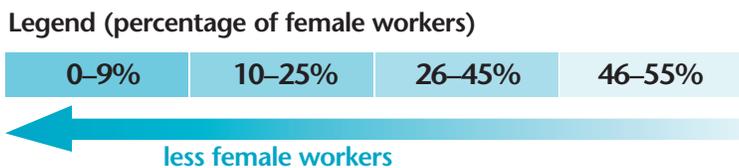
Although jobs in the top three fields for women—teaching, secretarial, and nursing—have enormous societal value, they are generally not compensated well. More than two million women are employed in each of these fields. Comparatively, about 125,000 men are employed as administrative assistants, 535,000 as elementary or middle school teachers, and 245,000 as registered nurses. Even when comparing jobs that involve basically the same skill set and labor, the ones dominated by female workers garner less pay. For example, house cleaners, who are 84% female, make 17% less than vehicle and equipment cleaners, who are 87% male. The tendency for men to work in certain fields and women to work in others has been dubbed "occupational crowding."

There are a number of ideas about how to close the retirement gap, including making childcare more affordable and providing caregiver credits under the Social Security system. Achieving this important goal is not only vital to the economy but also to ensuring that millions of women can retire with security and dignity.

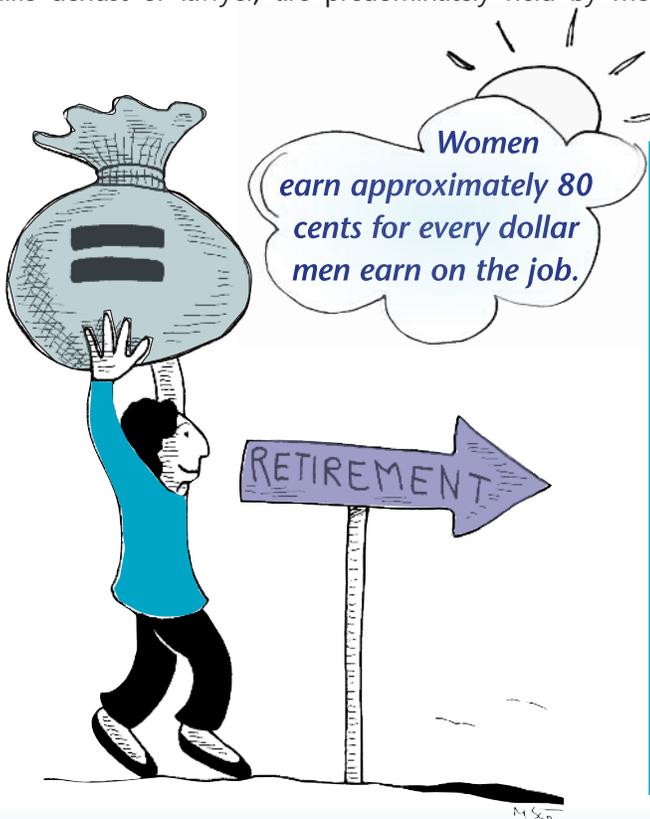
You can read more about the gender pay gap on WISER's blog at wiserwomen.org/blog/.

26 of the 30 Jobs in Top Earnings Decile Are Male-Dominated

Occupation	Median Annualized Earnings	% of Female Workers
Chief executives	\$105,196	26%
Pharmacists	\$103,740	52%
Architectural & engineering managers	\$101,140	6%
Dentists	\$99,216	36%
Lawyers	\$93,964	34%



Source: U.S. Bureau of Labor Statistics, "Median weekly earnings of full-time wage and salary workers by detailed occupation and sex," Labor Force Statistics from the Current Population Survey, Table 39, 2014. Figure Courtesy of Third Way.



Did You Know?

Pay gap = a woman who works full time would typically lose \$430,480 in lifetime earnings (NWLC 2016 survey).

Stay or Go? Deciding to Move Near Family after Retirement

My name is Joy Cheung. I am a retired chemist. My husband and I moved to Maryland in 2011 after living in Albany, New York for 29 years. We have three daughters and ten grandchildren in Maryland. I retired in 2000 and my husband retired in 2011. Although the winters were cold in upstate New York, we enjoyed living in a place where we had raised our family.

After our daughters were married and settled down, they asked us to move to Maryland so they could take care of us in our old age. Before the move, I was very worried. I told my friends that I felt like a big tree being pulled up by the roots. We had many old friends and knew our neighborhoods well. We were comfortable because we knew where to go to find our doctors, the stores, malls, the libraries, and the gym.

Five years have gone by quickly since our move. I am happy to say that my husband and I have adjusted well. Before the move, we checked out several retirement communities. Because my husband enjoys gardening, we decided move to a smaller house in Maryland, instead of an apartment. It was a good decision. Now our home maintenance is easier and less costly, yet we still have enough room for our many grandchildren when they come to visit, and enough space outdoors for a small flower garden and a vegetable garden.

It was actually fun to explore new places and start a new life. We enjoyed many family gatherings and attending our grandchildren's birthday parties and piano recitals. Having children playing piano in our house again brought life to our quiet home.

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Two years ago, I started volunteering for a senior village called the Village in Howard County. My life has been enriched by meeting new friends of my age and joining group activities that explore places I have never been to in Howard County and nearby Washington, DC.

Often friends tell me that their children have asked them to move closer but they cannot decide whether to do it or not. My advice is that moving long distance after retirement to be near your children and grandchildren could turn out to be a pleasant and exciting experience provided you plan well.

It takes about two years to plan a move (fixing your old home for sale, getting rid of accumulated stuff, and finding the housing you would enjoy in the new place). My advice would be to make the move before you are 70 years old so that you can still lift boxes during packing and unpacking. Once you are settled in the new place, get out and get involved in community organizations so new friends can be made.

Information on Villages is available at vtvnetwork.org. 



Joy Cheung, her husband and 10 grandchildren hiking near Deep Creek in 2011

The Older Americans Act is Signed into Law (And Why You Should Care!)

On April 19th, the Older Americans Act (OAA) was reauthorized and signed into law by President Obama. This is an important piece of legislation impacting older adults and seniors in this country, and there are plenty of reasons why the OAA should matter to everyone at any age. Currently, one in five older adults — 11 million people — receive services from an Older Americans Act program. The OAA also saves Medicaid and Medicare untold millions each year.

The Older Americans Act was originally enacted in 1965 and since that time has provided funds for critical services that keep older adults healthy and independent; services like meals, job training, senior centers, caregiver support, transportation, health promotion, benefits enrollment, and more.

The reauthorization includes some additional funding for services such as adult day services, in home services, homebound and congregate meal programs as well as preventive health programs.

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The legislation also requires the Administration for Community Living (ACL) to develop a consumer-friendly tool to assist older individuals and their families in choosing the best home and community-based services for them.

Additionally, ACL officials are required to work with stakeholders to provide guidance and best practices to states with regards to programs and services directed to Holocaust survivors.

A few highlights: The legislation calls for improved training on elder abuse prevention and screening for those working in the aging field. It will also create new support for modernizing multipurpose senior centers which is expected to provide better social and learning settings for older Americans. The legislation will also help family caregivers; older adults caring for adult children with disabilities will be eligible to participate in the National Family Caregiver Support Program which funds a range of supports that assist family and informal caregivers to care for their loved ones. ☒

Social Security Claiming *continued from page 1*

What New Claiming Rules May Mean for You

Last fall, the Bipartisan Budget Act of 2015 was passed by Congress and signed into law by President Obama. The budget act made changes to Social Security's rules about claiming retirement benefits that mainly affect married couples. The changes included the **elimination** of two Social Security benefit claiming strategies. Anyone currently receiving Social Security benefits using these strategies will not be affected by the claiming changes. See full details in the updated *WISER Social Security Fact Sheet – Changes to Social Security Claiming Strategies* at wiserwomen.org.

The Old Law and Restricted Application

The old law provided an incentive for some married or divorced people to first tap into their spousal benefit while delaying their own worker benefit. The delay to claiming your own worker retirement benefit meant that benefits grew larger for each month you delayed between the **full retirement age – age 66 – and age 70**. This was known as a restricted application.

The New Law and Restricted Application

- ☒ The change went into effect on January 2, 2016 for anyone who turns 62 on that date or later: A person who applies for their benefit at full retirement age can no longer restrict their application to spousal benefits only and then switch to claim their own benefit later.
- ☒ When someone who is eligible applies for a Social Security benefit at any age now, the Social Security Administration will automatically give the applicant the highest benefit for which they are eligible – this may be the spousal benefit or it may be the worker benefit based on a person's own earnings record.
- ☒ You can still choose to delay claiming your own benefits until age 70 to earn delayed credits, but you cannot receive a spousal benefit in the meantime.
- ☒ There are no changes to survivor benefit rules. Widows or widowers can still claim a survivor's benefit as early as age 60 before they claim their own worker benefit. ☒

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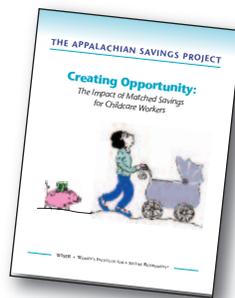


WISER Research! The Appalachian Savings Project

WISER recently released *Creating Opportunity: The Impact of Matched Savings for Childcare Workers*, the final report for our Appalachian Savings Project. This project created a matched savings program for self-employed childcare workers in rural Ohio and West Virginia.

The median hourly wage of childcare workers in West Virginia is \$8.74 (\$18,180 a year), while in Ohio it is \$9.37 (\$19,500 a year). Beyond earning low wages, childcare workers can experience significant month-to-month income volatility. In interviews, these women explained that they only receive payments for publicly subsidized childcare for the days those children are in their care. Any absences results in a drop in income for that pay period. After a year of saving, project participants averaged \$1,150 in savings, or 5.5% of their income.

This project demonstrates that despite all the financial barriers and competing demands, lower- and moderate-income workers, self-employed workers and small business operators can save regularly, and savings incentives help people overcome inertia and significantly boost their level of cash assets. Visit the research section of WISER's website (www.wiserwomen.org) for a summary brief of the project. 



WISER's Mission

To improve the long-term financial security of all women through education and advocacy. As the only organization to focus exclusively on the unique financial challenges that women face, WISER supports women's opportunities to secure fair pensions and adequate retirement income through research, workshops, and partnerships.

**Next Issue: Aging in Place and
New Long Term Care Solutions.**