

# A Social Security Scramble

By ANNE TERGESEN

The elimination of two popular Social Security claiming strategies has left firms that offer Social Security advice scrambling to incorporate the new rules into their systems.

The new budget law puts an end to "file and suspend" and a restricted application for spousal benefits—Social Security strategies that together made it possible for both members of a couple who are 66 or older to delay claiming benefits based on their own earnings records while one pockets a spousal benefit based on the other's earnings.

While some people can still take advantage of the strategies—which can add tens of thousands of dollars to a couple's lifetime income—they are now generally off limits to people born after 1953.

The change took the fast-growing Social Security advisory industry by surprise. "Given the secretive nature of the budget negotiations, very few people knew that this was going to be included in the budget bill" said Christopher Jones, chief investment officer at Financial Engines Inc., which in 2014 introduced a free Social Security calculator.

Social Security advice services run the gamut from free online tools to sophisticated programs that charge up to \$250 and pair computer-gen-

erated recommendations with a human adviser.

Many of the firms have posted notices on their websites explaining the rule change and warning clients to rerun their numbers after the programs are updated. Some have temporarily suspended their services while software engineers retool the programs for the married and divorced couples who are affected by the changes.

Fidelity Investments took its tool offline "as soon as news broke that this was likely to pass," said Tom McGirr, senior vice president of work-

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place products. The company expects to have the software up and running again in the next week, he added.

A few companies have already finished the process of revamping their programs. Social Security Timing was back online Monday, after "we had folks working very late nights over Halloween weekend," said Joe Elsasser, founder of the program for advisers.

Adding to the complexity are different rules for different groups of people. Those who

are 66 or older—or will turn 66 within the next six months—can still file for benefits and then suspend them, so their spouses and children under 18 can claim spousal and dependent benefits, but they have to act within six months.

Also, those who are 62 or older by the end of this year will retain the ability at full retirement age to file a restricted application for only spousal benefits and not an earned benefit.

One challenge for companies has been figuring out how to interpret the law in the absence of guidance from the Social Security Administration.

Sharon Lacy, wealth planning manager at Bedrock Capital Management, said she spent 10 hours revamping the firm's free SSAnalyze! calculator only to discover that she had been looking at legislative language that was ultimately changed slightly.

The confusion was over the treatment of people who will be 62 or older by the end of 2015—and whether they can file a restricted application for spousal benefits on a spouse's suspended benefit when they reach full retirement age, even if full retirement age is a few years away. (The answer: yes.)

"I had to go back and change the code again," said Ms. Lacy, whose new version went live online Thursday.

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