

# LAWYER FOR *Life*

KEEPING YOUR FAMILY HEALTHY, WEALTHY & WISE

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## 10 Ways To Maximize Your Social Security Benefits



Your payments from Social Security are determined by the amount of money you earn and pay into Social Security while working as well as the age at which you begin taking benefits. In addition, married individuals are eligible for spousal and survivor benefits.

There are a number of ways to increase the amount you ultimately receive from Social Security. A recent article in U.S. News & World Report explores this topic. Here are the strategies discussed in the article, some of which may surprise you.

### Work for at least 35 years

The Social Security Administration (SSA) calculates payments using a person’s 35 highest-earning years. People who don’t work for 35 years or more will have “zeros” factored into the SSA’s calculation, which can significantly reduce payments.

### Earn a higher salary

The more you earn and pay into Social Security, the larger your benefit payment. It is important to note, however, that in 2020 the taxable maximum income amount is \$137,700.

Earnings above the taxable maximum are not subject to Social Security taxes, nor are they used to calculate your benefit. In addition, if you are now earning more than you did earlier in your career, working an extra year could increase your future payments.

### Wait until your full retirement age before claiming Social Security

For people born in 1960 or later, the full retirement age is 67. If you were born before 1960, your full retirement age is 66. Taking benefits before full retirement age reduces your monthly payment.



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# 10 Ways To Maximize Your Social Security Benefits (Cont.)



For example, taking benefits at age 62 will lower your monthly payments by 25% if your full retirement age is 66. If your full retirement age is 67, taking benefits at age 62 will lower your monthly payment by 30%.

## **Wait until age 70 to claim Social Security**

If you delay taking benefits until you are 70 years old, you will accrue credits that increase your monthly payment by 8% for each year you wait beyond your full retirement age. This incentive does not apply after you turn 70, however.

## **Suspend your Social Security payments**

If you have already started taking reduced benefits, it's possible to suspend them and, as a result, increase your monthly payments in the future. This approach will increase your benefit by 8% for each year of suspension until age 70, or as much as 32% if you suspend payments for four years.

## **Reimburse the SSA for benefits you have already received**

You have 12 months from the date you signed up for Social Security benefits to withdraw your application and repay any benefits you and your family have received. Why would you consider doing this? By reapplying for benefits at a later date, your monthly payments will be larger due to the fact that you have delayed taking them. Please be aware, however, that this option can only be used once.

## **Utilize a “spousal benefits” strategy**

Married individuals can claim Social Security payments of up to 50% of their spouse's benefit if that amount is larger than their own payment. You must sign up for spousal payments at your full retirement age to get the full 50%, however, as spousal payments are reduced if you claim them before full retirement age. Also, ex-spouses are eligible for spousal payments if the marriage lasted 10 years or longer.

## **Maximize your survivor benefits**

For married couples, when one spouse passes away the surviving spouse can inherit the decedent's Social Security payment if that amount is higher than his or her own monthly payment. Married couples can boost the surviving spouse's future benefit by having the higher earner delay taking Social Security benefits.

## **Claim survivor benefits for children**

Children of a deceased worker can qualify for Social Security payments until they turn 18 (or 19 if the child is a full-time high school student). In addition, a widow or widower who is caring for a dependent child under the age of 16, or caring for a child who developed a disability before age 22, can qualify for payments.

## **Try to estimate how long you are likely to live**

Determining when to take Social Security benefits depends on a number of factors including, of course, whether or not you can afford to wait. Another key factor is longevity. If you have a major health problem, you may want to begin receiving benefits as soon as possible. If you are healthy, and long life runs in your family, you may want to wait before taking benefits, thereby maximizing your monthly payment.

If you'd like to read the entire U.S. News & World Report article, you can do so here:  
<https://money.usnews.com/money/retirement/slideshows/10-social-security-claiming-strategies-that-work>.



## How to Avoid COVID-19 Scams

As if coping with the challenges wrought by the pandemic wasn't difficult enough, we must also contend with scammers looking to profit from it. The Justice Department has provided the following advice about avoiding COVID-related scams.

- Closely scrutinize and independently verify any individual, charity, or company that contacts you on matters pertaining to COVID-19
- Double-check websites and email addresses that offer products, services, and even general information related to COVID-19. Scammers often use addresses that are similar to those belonging to the legitimate entities they are impersonating
- Unsolicited emails offering supplies or treatments for COVID-19, or that request personal information for “medical” purposes, should raise a red flag. Legitimate health authorities do not contact the public in this manner
- Do not open email attachments or click on links from unknown or unverified sources. This could result in a virus being downloaded onto your device and damaging it
- Make sure your computer's antivirus and anti-malware software is operating and up-to-date
- Ignore offers of COVID-19 vaccines, cures, or treatments from suspicious sources. If a vaccine does indeed become available, you will not hear about it first from an online ad or cold call
- Check the online reviews of companies that offer products or services related to COVID-19. If there are numerous complaints, avoid that company
- Carefully research charities and crowdfunding sites that solicit donations for matters pertaining to COVID-19. Just because an organization has slick promotional materials or words such as “government” in its name does not mean the organization is legitimate
- Be careful about any individual, charity, or business requesting payments or donations in cash, by wire transfer, or through the use of a gift card. Do not use these methods to send money
- Think twice about “investment opportunities” related to COVID-19, particularly those based on claims by small companies that their products and/or services can stop the virus

You can read more about COVID-19 scams on AARP's website, <https://www.aarp.org/money/scams-fraud/info-2020/doj-avoid-coronavirus-fraud-tips.html>.

## A PERSONAL NOTE FROM KIMBERLY

Dear Clients and Friends:

I hope this newsletter finds you safe and healthy. As we slowly return to the “new normal,” I hope you will find the information contained in this newsletter helpful. During the time of uncertainty, it is even more important to make sure your estate plan is up to date. If you have not yet had your estate plan reviewed in the last three years, please give us a call to schedule a review meeting. We’re here to assist you.

I look forward to hearing from you.

