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Newsletter for February 2016

The big news is still the end of file and suspend. It is a procedure where one member of a couple at age 66 could file for and suspend their benefit. They can then wait until age 70. This allowed that wage earner to gain an increase in their Social Security at 8% per year. The other spouse could take their spouse benefit at 66 and let their own benefit increase until age 70.

File and suspend will end with applications filed on April 29th 2016. The wage earner must be 66 before May 2nd 2016. The wage earner, who is restricting their benefit to spouse benefits, can still do that if they were born prior to January 2nd 1954. The other wage earner must be receiving benefits.

The change in the law will cost many couples tens of thousands of dollars over their lifetimes. Many people have never heard of this strategy and filed to get their own benefit unnecessarily.

Federal employees and retirees have received good news from the House Budget Committee. The Department of Defense budget contained some adverse actions for Federal employees

and retirees. It would have significantly increased the premiums paid for Federal Employees Health Benefits. The bill also would have raised the contributions of FERS employees from .8% to 6.8%. It would have eliminated the Special Retirement Supplement for those employees.

The new chairman of the committee eliminated these sections of the bill in a spirit of cooperation with the minority.