



## Glossary: LifeYield Social Security+

### Cost of Living Adjustment (COLA)

Social Security benefits are subject to an annual increase linked to inflation. In recent years COLA increases have taken effect in December.

### Delayed Retirement Credits

A worker claiming their own benefits after FRA receives increased benefits for each month they delay up to age 70. These increases are referred to as Delayed Retirement Credits, and while they don't affect spousal benefits based on the worker's account, they do improve survivor benefits.

### Employment Record, Work Record, Account

When filing for Social Security benefits, a person may have a choice of filing on their own account with the Social Security Administration (SSA) -i.e. filing based on their own work history as linked to their Social Security Number -or filing on someone else's account (e.g. a husband might file for spousal benefits based on his wife's account).

### End Year

The End Year is the last year that the corresponding income layer produces income. The End Year will be pre-populated with the next available year after the Start Year selected by the user. This is a required field if Income Floor and/or Additional Income are enabled.

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## Full Benefit at Retirement or Primary Insurance Amount (PIA)

An amount determined by the SSA, which represents a worker's anticipated monthly benefit if they claim at their FRA. This is used as the basis for all benefit calculations based on the worker's record: the worker's own benefit, plus any dependent benefits such as those for a spouse or widow(er).

## Full Retirement Age (FRA)

The age at which a worker, spouse or survivor receives their full retirement benefit amount. Claiming benefits before FRA results in a reduced benefit, and claiming certain benefits after FRA can lead to an increased benefit. A worker's FRA varies based on their year of birth and can be as high as 67 for younger clients.

## Government Pension Offset (GPO)

For a spouse or widow(er) receiving spousal or survivor benefits on another worker's record, and who receives a pension from government employment, their benefit is typically reduced by 2/3 of the monthly pension amount and may even be eliminated



completely. More details on the rules regarding the GPO can be found at <http://www.ssa.gov/pubs/EN-05-10007.pdf>.

## Initial Eligibility

The earliest age at which a person is able to receive a benefit: typically age 62 for worker or spousal benefits, and age 60 for survivor benefits.

## Restricted Application

The type of application a spouse may be eligible to file in order to claim spousal benefits only when they're eligible for either their own benefit or a spousal benefit at FRA or later. Their application for benefits is "restricted" to only the spousal benefit from their spouse's record. After the 2015 Budget Act, a restricted application is only an option for a person who reached age 62 prior to 2016.

## Spousal Benefits

The benefits received by the spouse (and/or in some cases the ex-spouse) of a worker, when filing for spousal benefits on the worker's account.

## Survivor Benefits

The benefits a widow or widower (also, in some cases, children and even dependent parents) is eligible to receive based on their deceased family member's work record. Social Security+ currently only considers benefits for a surviving spouse and not other family members.

## Widow(er)'s Limit

A limit to the maximum amount of survivor benefits a surviving spouse is able to receive. This limit only takes effect when the deceased worker filed for benefits before reaching their FRA.

## Windfall Elimination Provision (WEP)

For a worker who receives a pension from employment where Social Security taxes were not paid, reached initial eligibility in 1985 or later, and worked fewer than 30 years in a job where Social Security taxes were paid, a reduction in their PIA of up to half their monthly government pension amount may apply. This adjustment also impacts dependent benefits such as spousal benefits but does not impact survivor benefits. More details on the WEP and the rules surrounding it (including some exemptions) are available at <http://www.ssa.gov/pubs/EN-05-10045.pdf>.

## Worker Benefits, Retirement Benefits, Retirement Insurance Benefits (RIB)

The benefits received by a person filing for benefits on their own SSA account. A summary of the rules around worker benefits, spousal benefits and many other aspects of Social Security can be found at <http://www.ssa.gov/pubs/EN-05-10035.pdf>.