

Change in social security law could reduce auxiliary benefits

For some individuals, social security disability income is a life-long support base, but what happens to those benefits when you hit retirement age? For most people, the benefits automatically convert to social security retirement benefits and the monthly payment amount doesn't change. In many cases, very little difference is noted by the recipient.

Until sometime in 2014, some individuals receiving disability benefits could make a request, prior to the conversion to retirement, to withdraw their benefits. That would prevent the automatic retirement conversion, postpone their retirement benefits and allow them to collect survivor or spousal benefits. Those benefits are called auxiliary benefits.

Auxiliary benefits could be collected while the individual was aged 66 to 70. During that time, the individual's own retirement benefits sat and earned credits that could be worth as much as 8 percent each year.

According to reports, a clarification to Social Security Administration rules in Dec. 2014 has changed this ability. While individuals can still withdraw their benefits, it comes with a consequence. Making a withdrawal request in order to stop an automatic conversion could result in the individual losing all benefits. That means the individuals might have to pay back any disability payments they received throughout life – something that is both undesirable and impossible for most individuals.

There are still some questions among benefit experts regarding the new wording in the Administration's rule, but most do agree that it limits those on disability benefits from

receiving auxiliary benefits at the same age that individuals without disability are still allowed to do so. Experts also note that SSA rules and regulations are notoriously complex, making it essential to seek understanding or assistance with decisions prior to making any changes to your payment structure.

Source: Investment News, "[Social Security closes claiming loophole for people with disabilities](#)," Mary Beth Franklin, April. 14, 2015