



Ask Bob: Does my spouse qualify for Social Security spousal benefits if he's already receiving his benefits?

A reader is wondering if her husband can claim spousal benefits when she retires, since she was the higher earner. She's also wondering about the best way to open an IRA. Adviser Bob Kargenian answers both questions.

ROBERT POWELL, CFP | August 11, 2021

Question

I'm retired and so is my husband. He's drawing Social Security but I am not. He's 72 and I'm 65. I'm planning on drawing next year. I'm the higher earner. Once I file, will he qualify for spousal benefits?

I received a lump sum pension check to go into an IRA so that I don't pay taxes on the full amount right away. I was going to work with a particular investment firm but have decided not

to because I didn't like their reviews. Can I just open an IRA account at my bank and draw a monthly pension check? I know I would need to pay taxes on that money that is to be drawn.

Answer

Since the husband is 72 and already drawing Social Security, once she reaches age 66 (assuming this is her full retirement age (FRA)), her husband would receive either his benefit or 50% of her FRA benefit, whichever is greater, says Bob Kargenian, CMT, president of [TABR Capital Management, LLC](#).

"He will not get both," Kargenian explains. "It is one or the other. For instance, let's say he is currently receiving \$2000 per month. At her FRA, her benefit is \$3400 per month. Fifty percent of that is \$1700, which is less than the \$2000 he is already receiving, so there would be no change in his benefit."

Regarding opening an IRA, Kargenian says this can be done at a bank, or any other financial institution which offer IRA accounts, such as brokerage custodians Charles Schwab and Fidelity Investments. "But," he cautions, "I would advise against opening an IRA account at a bank. A lump sum pension check is part of what will help one live in retirement the rest of their life. Unless one invests in a diversified portfolio of stock and bond mutual funds within a bank's brokerage division, sticking with the cash options from a bank will never keep up with inflation. At present, the average yield on a 5-year CD at banks nationwide is a blistering 0.26%. You'd be better served finding an investment firm you are comfortable with and you can trust."

Yes, you draw a monthly check, he adds, "But I would not call it a pension check. It would simply be characterized as an IRA withdrawal, and yes, you will pay income taxes on the amount taken out, at both the federal and state level."

Got questions? Get answers!

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