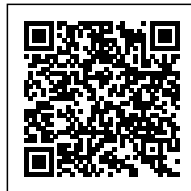




SOCIAL SECURITY BENEFITS ARE NOT PRORATED

Posted on June 20, 2022 by Tom Margenau



Q: It has always puzzled me why Social Security takes back a person's Social Security check for the month he or she dies. My aunt died in April, and as her executor, I was counting on using her last Social Security check to pay off some of her bills. But the government took that money away from me. Can you explain that?

A: Simply put, the law has always said that you must meet all the eligibility requirements for a Social Security benefit for an entire month to be eligible for a payment for that month. That is why Social Security benefits are paid a month behind (the April check is paid in May, the May check in June, etc.): to make sure a person is eligible for a benefit for the prior month.

Obviously, one of the eligibility rules is that a person must be alive. And again, you must be alive for the entire month to get the benefit for that month. So, for example, because your aunt died in April, whether it might have been April 2 or April 30, she (and her estate) is not due the April Social Security check. In other words, the check that came in May (the April benefit) must be returned.

Another way to put that is this: Social Security checks are not prorated. They never have been, and probably never will be. But what most people don't think about is the flip side of that coin. The law does allow a person to get their first Social Security check for the month they are due benefits, even though they might not be eligible until later in the month. For example, my brother was born on June 29. He took his benefits at age 65. And he got his first Social Security check for the entire month of June, even though he was 65 for just two days of the month.

Think of it this way: the law presumes you'd rather have that extra benefit upfront while you are alive as opposed to your family getting the proceeds of your last check after you are dead!

Q: My husband died on May 28th at age 82. I am 80. I was shocked to learn that the government took back his check that was supposed to come on June 3. When I called Social Security about this, they said "that's just the way it is." And when I asked about widow's benefits, they said I didn't have to do anything. This just doesn't seem right and I'm worried that I'm going to miss out on my widow's benefits. (I never worked outside the home, so I don't have any Social Security of my own.)

A: Don't worry. Everything is going to be OK, and you aren't missing out on anything.

Because you don't have your own Social Security, you must be getting spousal benefits on your husband's record. And in that case, now that he has died, you will just be automatically converted from wife's benefits to widow's benefits. Your new benefit rate will probably be the same amount your husband was getting at the time of death.

And in your case, the fact that Social Security benefits are not prorated is both good and bad news for you. You already learned the bad news. Because your husband wasn't alive the entire month of May, his May Social Security check had to be returned. So, what's the good news? Well, you are going to get a widow's benefit for the entire month of May, even though you were a widow for only three days of the month.



Q: When my father died about five years ago, my mother got the \$255 burial benefit from Social Security. About a month ago, my father-in-law died. But his wife, my mother-in-law, who has been in a nursing home for about 10 years, never got any burial money. We asked Social Security about that, and they said we are not due anything. When we asked why, all they told us is "it's the law." Were they correct?

A: Well, their answer was technically correct. But they certainly could have done a better job of explaining the law.

Before I do that, I must clarify one misconception about this one-time \$255 death benefit. It is not, and never was intended to be, a "burial benefit." And good thing it isn't because \$255 would barely cover the cost of flowers at most funerals today!

This death benefit is a holdover from the very earliest days of the Social Security program. It started out as a means of refunding a small portion of the taxes a person paid into the Social Security system if he or she died before having a chance to collect monthly benefits. Over the years, that simple "refund" of taxes that was paid only to the family members of non-beneficiaries morphed into a death benefit payable to the family members of just about everyone.

The benefit amount was locked in at \$255 about 40 years ago. Since then, it's never gone up and has never gone down. Attempts are occasionally made to simply eliminate this almost worthless payment. But every time that happens, senior citizen groups inundate Congress with letters of protest and so the little death benefit remains in law.

Back in the 1980s, the Reagan administration did have the guts (although others would say the gall) to take on those seniors, and they lobbied Congress to at least nibble away at the death benefit. They changed the law to say that the death benefit can be paid only to a surviving spouse WHO WAS LIVING WITH THE DECEASED AT THE TIME OF DEATH. Your mother-in-law was apparently not living with your father-in-law. (You said she was in a nursing home for the past decade.) So, she isn't due the money.

And by the way, if someone would appoint me the king of Social Security, I would do one of two things about the program's so-called death benefit. Either I would simply eliminate it because it's kind of a worthless and embarrassing benefit anyway, or I would make it meaningful by raising it to \$2,500 and paying it to anyone (not just a spouse) who is the executor of the deceased's estate.

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