



Rethinking Your Retirement Plans After the Loss of Your Spouse

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Losing a spouse is never easy, and the last thing most people think of is retirement. USAA is here to help you move forward.

We can help you learn what you can do to ease the stress of losing your spouse during retirement.

Survivor benefits and income decisions.

Many retirement income sources such as Social Security, military pensions, private pensions and income annuities have a survivor component that should be reviewed upon the death of a spouse.

- **Military pension and veteran's benefits for the surviving spouse.** Navigating through military retiree pay and benefits can be complex; fortunately, guidance is available through various [resources](#).

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- **Social Security benefits for the surviving spouse.** When one member of a married couple dies, the survivor is eligible for survivor's benefits (also known as a widow or widower's benefits). This is equal to 100% of the deceased spouse's benefits. The rule also applies to a divorcee whose former spouse has passed away. If the couple was married for at least 10 years, and the divorcee remained unmarried until age 60, then the surviving spouse is eligible for either a widow's benefit or their own benefits (based on his or her own individual earnings history). Only the higher of the two is paid, not the cumulative total of both. Again, this decision can be complicated, and more information can be found with the [Social Security Administration](#).
- **Private pensions.** Private pensions are becoming a thing of the past. If a deceased

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spouse was receiving pension income either through a former employer or through a private annuity, the surviving spouse should contact the pension provider to verify what, if any, survivor benefit is available to them.

- **Annuities.** Like a private pension, decisions must be made with the loss of a spouse regarding existing annuities and their payouts. This may also be a good time to consider converting a lump sum into retirement income.
- **Retirement account decisions.** Although many retirees may hold some investments that pass to the survivor at death, most retirement accounts such as IRAs and 401k plans will require the named beneficiary to make certain decisions regarding the account. Whether the surviving spouse can or should treat the inherited account as their own, or when they must start taking minimum distributions, can

depend on several factors. Since retirement account rules for beneficiaries can be complex, you should review the [IRS Publication 590-B](#) and seek appropriate tax or legal guidance.

New expenses after loss of a spouse.

The old saying that "Two can live as cheaply as one" may be true. However, when retirement income is reduced after the loss of a spouse, then it may be time to re-examine some of the bigger-ticket items in the budget.

- **Housing decisions.** Consider your housing arrangements after losing your spouse. If you've been in housing that is too big or no longer appropriate for you, then think about the cost, or savings, of making a change. Although many retirees choose to age in place, consider not just potential savings but also quality of life.

- **Transportation.** With the loss of a spouse, and possible change in housing, consider whether you will still require an automobile. Insurance, taxes/permits and periodic upkeep are all expenses that you will continue to incur, even if you don't drive a car.

Legal and estate planning issues.

Although you may have already done a good job of preparing your legal documents and estate planning before the loss of a spouse, now may be a good time to review your legal affairs with appropriate legal counsel. Here are some key items to possibly update:

- Healthcare power of attorney
- Durable power of attorney
- Living will
- Will or trust documents
- Third party contact for financial institutions
- Titling of assets and new beneficiaries

Although losing a spouse can be difficult, it's important to ensure that your financial future is secure.

Be sure to seek appropriate guidance from tax and legal professionals.

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