

# What Happens to Your Retirement Income When One Spouse Dies?

## *A Survivor Income Planning Guide*

### The Income Cliff Nobody Plans For

Most couples spend years building a retirement plan together. You estimate your combined Social Security, factor in a pension or two, account for your investment accounts, and land on a monthly income number that feels solid. Comfortable, even.

But that number was built for two people. And most retirement plans never answer the harder question: what happens to the one who's left?

When a spouse dies, household income doesn't just dip — for many couples, it drops 30% to 50% almost immediately, while fixed expenses like housing, utilities, insurance, and medications stay largely the same. This is the income cliff. It's predictable, it's significant, and with the right planning, it's largely avoidable.

This guide covers the three biggest income shocks a surviving spouse faces, explains how each one works, and shows you what a real survivor income plan looks like. If you're between 52 and 65, still working or newly retired, and you've never specifically planned for what happens to the one who outlives the other — this is worth your full attention.



## How Social Security Changes When a Spouse Dies

Social Security is usually the most reliable income stream a couple has. It's also the one that changes most dramatically at death.

Right now, you may be receiving two Social Security checks each month. When one spouse dies, one of those checks stops. The survivor keeps only the larger of the two benefits — not both.

That's the rule. And for many couples, it means a real income reduction starting the very first month after the loss.

## The Survivor Benefit: What You Actually Receive

The surviving spouse is entitled to a survivor benefit based on what the deceased spouse was receiving — or was entitled to receive — at the time of death. What you actually collect depends on how old you are when you file.

Here's how the percentages break down:

Survivor's Age at Claim	Percentage of Deceased Spouse's Benefit
60 (minimum age)	71.5%
62	Approximately 80%
Full Retirement Age (67 for most)	100%

Claiming early locks in a permanently reduced benefit — and that reduction doesn't go away. Waiting until full retirement age means collecting the full amount the deceased spouse was receiving at the time of death.

One detail that catches a lot of people off guard: if the deceased spouse had already claimed their benefit before death, the survivor receives what that spouse was actually collecting at the time — there's no adjustment upward. The flip side is also true. If the deceased delayed past full retirement age and earned additional delayed retirement credits, the survivor inherits the larger benefit.

## Why the Higher Earner's Claiming Age Matters for Life

This is one of the most consequential decisions a couple makes, and most people don't fully appreciate it until it's too late.

When the higher-earning spouse delays Social Security — say, from 62 to 70 — their monthly benefit can grow by 24% to 32% or more compared to claiming at full retirement age. That larger benefit doesn't just help them while they're alive. It becomes the survivor's benefit if the higher earner dies first.

The higher earner's claiming strategy is also a survivor income strategy. A spouse who claims early to get money sooner may be permanently reducing the income their partner will live on for decades after they're gone.

A CFP® professional who specializes in retirement income will model this both ways — for the couple together and for each spouse individually — before recommending a claiming age. That's a different analysis than simply maximizing lifetime benefits for two people.



## The Widow's Tax Penalty

The drop in income is painful enough on its own. What many surviving spouses don't expect is that they'll also owe more in taxes on what's left.

This is known as the widow's tax penalty, and it's a real, often overlooked financial hit.

## How Your Tax Bracket Shrinks Overnight

When both spouses are alive, you file as married filing jointly. The brackets are wide — a couple can bring in a fairly substantial combined income and still land in the 12% or 22% range without getting close to the next tier. When one spouse dies, the survivor files as a single taxpayer starting the following year, with limited exceptions. Single brackets are roughly half as wide as joint ones, and that's where things get complicated.

Income that fits comfortably inside a lower bracket for a married couple can push a surviving spouse into the 22% or 24% bracket — or higher — without a single additional dollar coming in. Here's a simplified look at how that plays out using 2026 federal brackets:

- A married couple with \$120,000 in taxable income falls into the 22% tax bracket and still has room before reaching the next tier.
- A single filer with that same \$120,000 reaches the 24% bracket.



Layer in required minimum distributions from IRAs and 401(k)s, Social Security income, and pension payments, and the surviving spouse's tax burden can end up meaningfully higher than what the couple ever paid together.

The good news is that this is plannable. Roth conversions during the married years, thoughtful account sequencing, and careful income timing can all reduce what a surviving spouse owes. The catch is that the window to make those moves is while both spouses are still alive — once one is gone, most of the options close.

## Pension Survivor Benefits: The Election Most Couples Get Wrong

If either spouse has a pension, the survivor benefit election made at retirement may be the single most consequential financial decision that the couple ever makes — and it rarely gets the attention it deserves. More often than not, it's made quickly, under pressure, without anyone fully thinking through what each option means ten or twenty years down the road.

At retirement, a pension holder typically chooses between:

- **Single life annuity:** The highest monthly payment, but it stops entirely when the pension holder dies. The surviving spouse receives nothing.
- **Joint and survivor annuity:** A lower monthly payment, but income continues to the surviving spouse — usually at 50%, 75%, or 100% of the original amount — for the rest of their life.

Many couples choose the single life option because the monthly payment is higher. Sometimes that's the right call — particularly if the pension holder is in poor health or the couple has other substantial sources of income. But the decision gets made too often without anyone actually sitting down and working through what the surviving spouse would have left to live on.

The monthly difference between a single life and a joint-and-survivor payout can feel like the obvious choice in the moment. Stretch that same difference across 20 or 25 years of a surviving spouse's life, though, and the cumulative cost of losing that pension income looks very different. A few hundred dollars a month adds up to tens of thousands of dollars over time — and that math is worth working through carefully before anything gets signed.

### The Pop-Up Provision and Other Options Worth Knowing

Some pension plans include what's called a pop-up provision. If the pension holder elects a joint-and-survivor option and the spouse dies first, the monthly payment "pops up" to the single life amount — essentially removing the penalty for having chosen the joint option in the first place.

Not every plan offers this, and the terms vary. It's worth going through your specific plan documents carefully — or sitting down with a retirement specialist who can walk through them with you — before you commit to anything.

One more thing worth knowing: once a pension election is made, it is typically irrevocable. There's no going back after retirement. That makes getting it right the first time genuinely important.

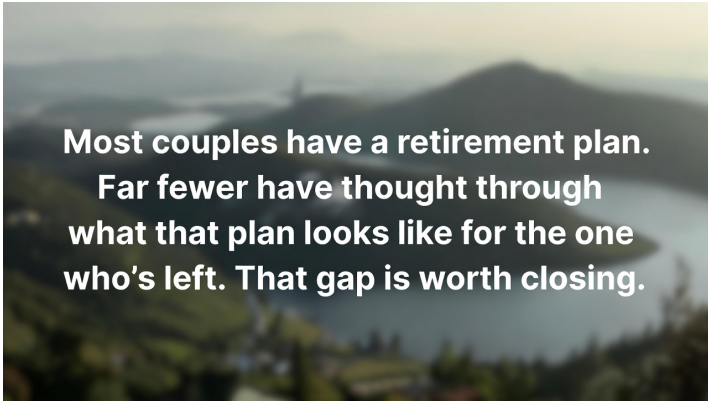


## What a Survivor Income Plan Actually Looks Like

A survivor income plan isn't a separate document. It's a layer of your overall retirement plan that specifically models what happens to the surviving spouse's income, taxes, and expenses if either of you dies first.

A well-built plan addresses:

- 1. Income replacement analysis:** What does the surviving spouse actually receive from Social Security, pension, and investment accounts? How does that compare to their expected expenses? Where is the gap?
- 2. Social Security optimization for the survivor:** Has the higher earner's claiming strategy been evaluated for its impact on the survivor benefit? Has the lower earner's strategy been coordinated with that?
- 3. Pension election review:** If a pension is involved, has the survivor benefit election been modeled against the couple's full financial picture? Has the pop-up provision been considered?
- 4. Tax projection for a single filer.** What does the surviving spouse's tax situation look like filing as single? Are there Roth conversions or other moves that would reduce that burden?
- 5. Life insurance review:** Is existing coverage enough to bridge the income gap during the transition period — or to fund a lump sum that supports the survivor over the long haul?
- 6. Account titling and beneficiary designations:** Are accounts titled correctly? Are beneficiary designations current? When the time comes, can the surviving spouse actually get to the money without unnecessary delays or complications?



**Most couples have a retirement plan.  
Far fewer have thought through  
what that plan looks like for the one  
who's left. That gap is worth closing.**

## Steps You Can Take Right Now

You don't need to have everything figured out today. But a few concrete steps can move you in the right direction.

- ❑ **Pull your Social Security statements** for both spouses at [ssa.gov](https://ssa.gov). Look at what each of you is projected to receive at different claiming ages.
- ❑ **Locate your pension documents** if either of you has one. Find the section on survivor benefit elections and note the available options.
- ❑ **Run a single-filer tax projection.** Take your expected retirement income and model it as if only one of you is receiving it, filing as single. The number may surprise you.
- ❑ **Review your beneficiary designations.** Check every IRA, 401(k), and life insurance policy. Make sure they reflect your current wishes and that the surviving spouse can actually access the money.
- ❑ **Talk with a retirement specialist** who can model both scenarios — for two and for one — and show you where the gaps are.

At De Cesare Retirement Specialists, advisors conduct exactly this kind of analysis with couples in Marlton, NJ, and Philadelphia, PA. The goal isn't to prepare for the worst. It's to make sure the person you love most is taken care of, no matter what happens.

## FAQs

**Q: Does a surviving spouse automatically receive the deceased spouse's Social Security benefit?**

A: Not automatically — you need to apply. The surviving spouse receives the higher of their own benefit or the survivor benefit, not both. The Social Security Administration will not combine the two payments.

**Q: Can a surviving spouse claim Social Security before their full retirement age?**

A: Yes. Survivor benefits can be claimed as early as age 60, or age 50 if the survivor is disabled. Claiming before full retirement age permanently reduces the monthly amount — down to 71.5% if claimed at 60.

**Q: What is the widow's tax penalty, and how long does it last?**

A: It's the higher tax burden a surviving spouse takes on when their filing status shifts from married filing jointly to single. It kicks in the year after the spouse's death and continues for as long as the survivor remains unmarried and files as single.

**Q: If my spouse already claimed Social Security early, does that lock in a lower survivor benefit for me?**

A: Yes, in most cases. If your spouse claimed before full retirement age and received a reduced benefit, your survivor benefit is generally based on that reduced amount. This is one of the main reasons the higher earner's claiming strategy matters so much for the surviving spouse.

**Q: What happens to a pension if the pension holder dies before retiring?**

A: It depends on the plan. Many pensions offer a pre-retirement survivor benefit, but the terms vary significantly. Review your plan's summary plan description or contact the plan administrator directly.

**Q: Can we change a pension survivor benefit election after retirement?**

A: In most cases, no. Pension elections are typically irrevocable once made at retirement — which is exactly why it's worth modeling the decision carefully before signing.

**Q: How do we know if we have enough life insurance to cover the income gap?**

A: A retirement specialist can calculate the income shortfall the surviving spouse would face and help you determine whether existing coverage is sufficient, or whether additional coverage makes sense given your age, health, and overall financial picture.

## You've Planned for Two. Now Plan for One.

The most loving thing you can do for the person you've built your life with isn't just creating a comfortable retirement together — it's making sure the one who remains never has to face a financial crisis on top of an emotional one.

Survivor income planning isn't about fear. It's about peace of mind. It's about running the numbers for both of you — and for each of you alone — so your plan holds strong no matter what tomorrow brings.

If you're a married couple between 52 and 65 and you've never modeled what happens to your income, taxes, and pension if one of you passes first, now is the perfect time to close that gap — while you still have the power to make meaningful changes.

At De Cesare Retirement Specialists, our advisors specialize in building survivor-ready plans for couples in South Jersey and Greater Philadelphia. We'll show you exactly where your current strategy stands and how small adjustments today can protect the person you love most tomorrow.

### Ready to protect the one who matters most?

Learn more and schedule your no-obligation conversation at 856.235.3830 or [DeCesareRetirement.com](http://DeCesareRetirement.com) today.



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## ABOUT STEVE DE CESARE

**CERTIFIED FINANCIAL PLANNER®**  
*professional and President of De Cesare Retirement Specialists*

A leading retirement transition specialist, Steve De Cesare, CFP®, is a second-generation financial planner who has spent the last decade of his career helping professionals transition into retirement with financial confidence.

His multi-disciplinary planning approach works to ensure that the investment, income, tax and estate strategies are in place to achieve each of his clients' financial and lifestyle goals for retirement. Steve specializes in offering guidance to corporate employees regarding their company sponsored retirement plans such as 401(k)s and pensions. He also advises on rollovers to and investment decisions within Individual Retirement Accounts (IRAs). Additionally, he helps employees who are facing workplace transition with the critical decisions and financial plan adjustments that need to be made to help ensure a smooth progression of their financial life as they enter into their next job or retirement.

Steve is a CFP® professional and Investment Advisor Representative of De Cesare Retirement Specialists, a Registered Investment Advisor. He is also licensed in life and health insurance in the states of New Jersey and Pennsylvania. Steve is a member of the Financial Planning Association (FPA) and a 14-year recipient of the Five Star Wealth Manager Award. As a financial resource, Steve has been quoted in numerous media outlets, including *USA Today*, *Money*, *The Washington Post*, *The Wall Street Journal*, and *Bankrate.com*.



***Take the next step with confidence. Call Steve De Cesare, CFP® at De Cesare Retirement Specialists at 856.235.3830 or email [info@DeCesareRetirement.com](mailto:info@DeCesareRetirement.com) to schedule your no-obligation, complimentary consultation.***