



News Release

SOCIAL SECURITY

Social Security Publishes New Rule Revising Withdrawal Policy

Rule Also Limits Voluntary Suspension to Prospective Months

The Social Security Administration today published final rules, effective immediately, that limit the time period for beneficiaries to withdraw an application for retirement benefits to within 12 months of the first month of entitlement and to one withdrawal per lifetime. In addition, beneficiaries entitled to retirement benefits may voluntarily suspend benefits only for the months beginning after the month in which the request is made.

The agency is changing its withdrawal policy because recent media articles have promoted the use of the current policy as a means for retired beneficiaries to acquire an "interest-free loan." However, this "free loan" costs the Social Security Trust Fund the use of money during the period the beneficiary is receiving benefits with the intent of later withdrawing the application and the interest earned on these funds. The processing of these withdrawal applications is also a poor use of the agency's limited administrative resources in a time of fiscal austerity -- resources that could be better used to serve the millions of Americans who need Social Security's services.

Although the new rules are effective immediately, the agency is providing for a 60-day public comment period. The agency will consider any relevant comments received and publish another final rule to respond to comments and to make any appropriate changes to the rule.

Social Security recommends that comments be submitted via the Internet. To view the new rule or to comment, visit the Federal eRulemaking portal at www.regulations.gov and use the Search function to find docket number SSA-2009-0073.

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