The majority of husband and wife farm couples report all of the farm income under the name of one spouse, typically the husband. If the marriage will or has lasted for ten years, the concentration of earnings in the name of one spouse may be a good strategy for Social Security retirement benefits. Forty quarters of earnings credit under Social Security qualifies you and your spouse “for life” relative to Social Security retirement benefits. However, qualifying for Social Security disability coverage is quite different.

To receive Social Security disability benefits, each spouse must qualify based on their own work history and be fully insured for disability benefits. Generally, you need to have received credit for 20 quarters of earnings with in the last 40 quarters. These quarters are based on earnings – for 2005 it required $920 to earn a quarter of credit and for 2006 it requires $970 to earn a quarter of credit. But note – the maximum quarters that can be earned per year are four.

It is now much easier to monitor your Social Security earnings history as the Social Security Administration is mailing an annual report to workers 25 years of age or older, approximately 3 months prior to their birthday. This report lists your entire earnings history and provides an estimate of benefits for retirement and disability. Any errors discovered in this report needs to be promptly brought to the attention of the Social Security Administration for correction.

Too frequently a spouse of a business owner applies for disability benefits only to discover, while they may have worked in the business, unless they received a wage or reported other earned income – they may not be entitled to disability benefits because they have an insufficient number of quarters within the last 40 quarters.

For additional information, a free publication “Social Security – Disability Benefits” is available by calling 1-800-772-1213 or going online at www.ssa.gov.