

# **Social Security Administration Overview**



**Congressman Joe Baca's**

**Veterans Forum**

**March 5, 2005**

**Presentation compiled and given by Frank Van Nostrand**

# Social Security Programs

1956

1939

1935



**Retirement  
Insurance**



**Survivors  
Insurance**



**Disability  
Insurance**

# Other Programs

1965



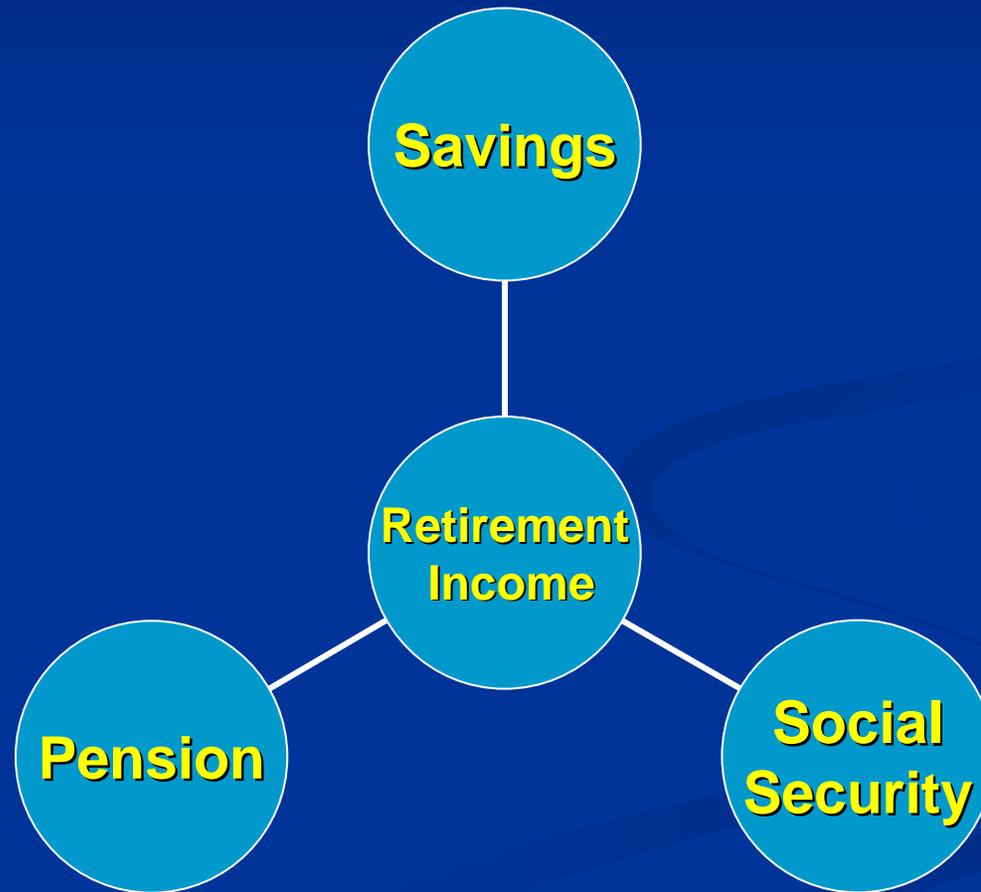
**Medicare**

1972



**Supplemental  
Security  
Income**

# Retirement Income



# How Credits Are Earned



2005:

- 1 credit for each \$920 in covered employment
- maximum of 4 credits/yr (\$3,680)

Credits Needed For Retirement:

**40**

# How does your time in the military affect your Social Security benefits?



- Since 1957, Military personnel pay into Social Security
- In addition, gratuitous credits are added on for your service since 1957
- Deemed credits are given for any service before 1957

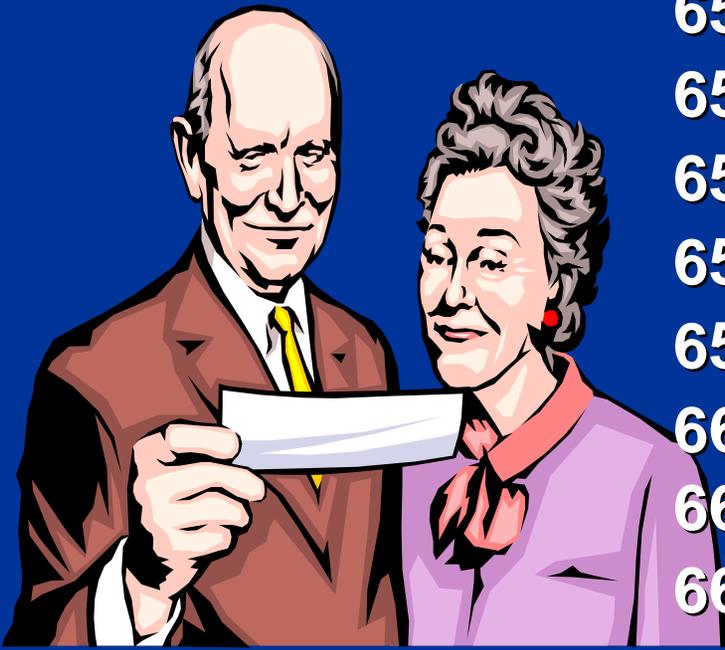
# Retirement age and benefits

## If You're A Worker and Retire

- **At your full retirement age, you get your full benefit**
- **At age 62, you get less money permanently**
- **You get more money if you work past your full retirement age**

# Full Retirement Age

<u>Year of Birth</u>	<u>Full Retirement Age</u>
1937	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943-1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 & later	67

An illustration of an elderly man and woman. The man, on the left, is balding with some hair on the sides, wearing a brown suit jacket, a white shirt, and a yellow tie. He is holding a white document. The woman, on the right, has short, curly grey hair and is wearing a purple top with a red scarf. She is looking at the document the man is holding. They both have pleasant expressions.

# *The Cost of Early Retirement*

<u>Year of Birth</u>	<u>You will turn age 62 in:</u>	<u>% of Benefits Received at Age 62</u>	<u>Full Retirement Age</u>
1937	1999 and before	80%	65
1938	2000	79 1/6%	65 & 2 months
1939	2001	78 1/3%	65 & 4 months
1940	2002	77 1/2%	65 & 6 months
1941	2003	76 2/3%	65 & 8 months
1942	2004	75 5/6%	65 & 10 months
1943-1954	2005-16	75%	66
1955	2017	74 1/6%	66 & 2 months
1956	2018	73 1/3%	66 & 4 months
1957	2019	72 1/2%	66 & 6 months
1958	2020	71 2/3%	66 & 8 months
1959	2021	70 5/6%	66 & 10 months
1960 & later	2022 & later	70%	67

# Delayed Retirement Credits

<u>Year of Birth</u>	<u>Yearly Rate of Increase (%)</u>
1927-28	4.0
1929-30	4.5
1931-32	5.0
1933-34	5.5
1935-36	6.0
1937-38	6.5
1939-40	7.0
1941-42	7.5
1943 or later	8.0

# How Work Affects Social Security Benefits - 2005



<u>Age</u>	<u>Earnings Limit</u>	<u>Withheld/ Above</u>
Under 65 (FRA)	\$12,000 (\$1000/mo.)	\$1 for every \$2
65 (FRA)	\$31,800 (\$2,650/mo.)	\$1 for every \$3
Full Retirement Age & Above		No Limit

# Who Can Get Survivors Benefits

## Widows/Widowers

- Reduced benefits at age 60
- As early as age 50 if disabled
- At any age if caring for a child of worker under 16 or disabled
- Divorced widows/widowers may qualify



## Child

- Unmarried child under 18, or under 19 if still in high school
- Unmarried child disabled before age 22 who continues to be disabled



# Who Can Get Survivors Benefits

## Parents

- Age 62 and was receiving at least one-half support from deceased worker



## Lump Sum Death Payment (\$255)

- Living with entitled spouse
- Entitled child

# Who Can Get Disability Benefits

## Worker

- Must be insured (20/40)
- Any age
- Be disabled

## Spouse

- Age 62 or older
- Any age if caring for a child of worker under age 16
- Divorced spouses may qualify

## Child

- Unmarried under age 18
- Unmarried Disabled Adult Child



# Medicare Coverage



- 65 and older
- Receiving Social Security Disability benefits at least 24 months
- Permanent kidney failure

# What is Medicare?

- Hospital Insurance  
(Part A)
- Medical Insurance  
(Part B)



# Enrollment Periods

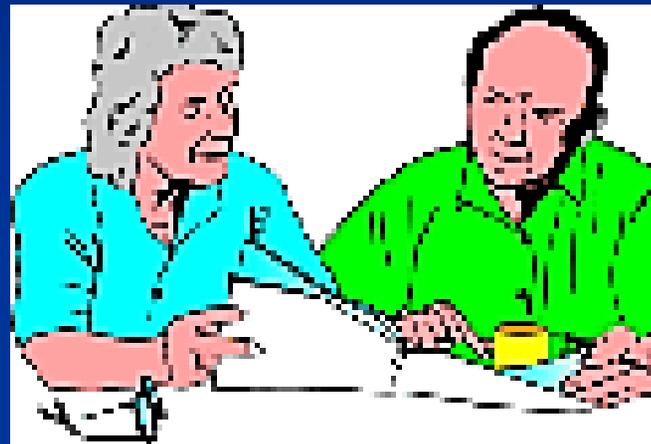
- Initial Enrollment Period
- General Enrollment Period
- Special Enrollment Period



# Supplemental Security Income

Who can qualify for SSI?

- Age 65 or older
- Blind -- any age
- Disabled -- any age
- Limited income
- Limited resources
- Citizen (certain aliens)
- Paid out of General Revenue



# How do my Veteran's benefits impact on my SSI?



- Military retirement pay is always treated as income
- VA Pension payments are usually treated as income
- VA Compensation payments are usually not treated as income

# The Social Security Statement

## “The Future’s In Your Hands”

**VERIFY**

### **Your Social Security Statement**

Prepared especially for Josephine Q. Public



October 1, 1999

JOSEPHINE Q. PUBLIC  
123 MAIN STREET  
ANYTOWN USA 11111-1111

See inside for your  
personal information.

**SAMPLE**

**REVIEW**

**PLAN**

#### **What Social Security Means to You**

We are pleased to provide you with the *Social Security Statement*, which will help you understand what Social Security means to you and your family. We encourage you to use it in planning your financial future. As the law requires, we will send you a new *Statement* showing your updated earnings record and your potential benefits each year about three months before your birthday.

Social Security can't do it all. Social Security benefits were not intended to be the only source of income for you and your family when you retire. You'll need to supplement your benefits with income from a pension plan, savings or investments. Think of Social Security as a foundation on which to build your financial future.

**Call or Visit the  
Social Security  
Administration's Website**

**1-800-772-1213**



**[www.socialsecurity.gov](http://www.socialsecurity.gov)**