



Social Security

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What is Social Security?

- To promote the economic security of the nation's people
- Designed to pay retired workers age 65 or older a continuing income after retirement



Programs under Social Security Act

- Retirement insurance
- Survivors insurance
- Disability insurance
- Hospital and medical insurance for the aged, the disabled, and those with end-stage renal disease;
- Prescription Drug Benefit
- Extra help with Medicare Prescription Drug Costs
- Supplemental Security Income
- Special Veterans Benefits
- Unemployment insurance
- Public assistance and welfare services, including:
 - Temporary assistance for needy families
 - Medical assistance
 - Maternal and child health services
 - Child support enforcement
 - Family and child welfare services
 - Food stamps
 - Energy assistance

Who does Social Security serve?



- 1 in 5 Americans currently receive a Social Security benefit

- $\frac{1}{3}$ are disabled, dependents, or survivors



- “The most successful anti-poverty program in our country”

FICA (Federal Insurance Contribution Act)



- US Federal payroll tax that is deducted from each paycheck
- Helps fund both Social Security and Medicare programs - provide benefits for retirees, the disabled, and children
- How much is coming out of my paycheck?
 - 6.2% of gross wages goes to Social Security tax
 - 1.45% of gross wages goes to Medicare tax
 - An estimated 175 million workers are covered under Social Security

How are Social Security benefits earned?

- Work Credits
 - Work history directly impacts your future benefits
 - 40 credits needed for Retirement and Medicare benefits
 - \$1470 = 1 credit
 - Can earn a maximum of 4 credits a year



Will Social Security Be There for Me?

- Two Social Security trust funds
 - Old Age and Survivors Insurance (OASI) & Disability Insurance (DI)
 - Can only pay benefits if there is money in the trust funds
- Combined trust funds will be able to pay all benefits in full and on time until 2034
 - Even if legislative changes are not made before 2034, 79% of each benefit due are paid
- From birth and throughout one's career, Social Security offers financial protections, information, and tools to help secure their future

Works Cited

https://www.ssa.gov/thirdparty/materials/pdfs/educators/Educator_Toolkit_05-10016.pdf

https://www.ssa.gov/section218training/basic_course_3.htm