

Social Security Fact Sheet

WHAT IS SOCIAL SECURITY?

Social Security is a federal income-security program that was established in 1935 as part of President Franklin Delano Roosevelt's New Deal. As a "pay as you go" program, the payroll taxes paid by current workers are used to fund the benefits of current Social Security recipients.

Social Security consists of three major programs:

- 1. Retirement.** Social Security provides a lifetime monthly income for qualifying work once an individual reaches their full retirement age.
- 2. Survivors.** Social Security provides a monthly lifetime income to the surviving spouse of a deceased worker once he or she reaches retirement age.
- 3. Disability.** Social Security pays lifetime monthly income to workers who are disabled and, in some cases, to their spouses and children under age 18.

Historically, access to benefits has proven difficult for many American Indians/Alaska Natives. Therefore a basic understanding of how Social Security works can help Elders to know their rights and get the benefits they have earned and deserve.



HOW IT WORKS

Social Security is a cash benefit provided by the federal government to all qualifying individuals, regardless of race or ethnicity. The system pays back a percentage of historical earnings on a monthly basis. The system is "progressive" – meaning that low wage earners receive a bigger portion of their contributions back when compared with higher wage earners.

During your working life, you pay into the system with taxes withheld from paychecks.

As you pay into the system, "quarters of credit" are earned. Those with 40 credits (which can be earned in as few as ten years of work) can receive Social Security payments when they are eligible to retire under the system.

Currently, credits are earned annually based on income earned in a single year. One credit is currently awarded per \$1,260 earned in a year, up to four maximum credits annually.

Full retirement age depends upon the year of your birth, and ranges from 65 to 67. (1)

HOW MUCH WILL I GET?

The determination of an Elder's benefit is unique to his or her earnings history. The Social Security Administration reports that among AI/AN Elders, 65 years or older, the average benefit

received by men in 2013 was \$14,564 per year (\$1,213.67 per month). The average benefit women received was \$12,207 per year (\$1,017.25 per month). (1)

WHO CAN GET BENEFITS?

While the primary purpose of the Social Security system has been to ensure that Elders who had a working career have at least one source of income in retirement, the system has adapted over time to serve other populations.

Survivors: married or divorced spouses, disabled spouses, children, grandchildren, step children, and even dependent parents of a worker may all qualify for survivor benefits.

- Most importantly for **Elders with a deceased spouse, those born on or before January 1, 1940 are eligible for full benefits under Social Security.** Reduced benefits are available to those 60 years old and older, and benefits are also available to those with a qualified disability aged 50 or older. A \$255 benefit may also be available on the death of a spouse.
- **Elders, aged 62 and older, may also qualify for benefits if they received more than 50% of their support from a deceased child.**
- Because the SSA has different criteria for each situation, it is advisable to apply for benefits if you think you may qualify or contact the SSA for more guidance. (1)

Supplemental Security Income (SSI): SSI is not part of Social Security. Even though the Social Security Administration administers SSI, the program is paid for with general tax revenue. To receive SSI, a worker must be blind, disabled or at least 65 years of age. It provides cash to meet basic needs for food, clothing and shelter. (2)

HOW TO APPLY TO THE SOCIAL SECURITY ADMINISTRATION:

- To apply by phone, please call 1-800-772-1213.
- To apply online, visit <https://secure.ssa.gov/iClaim/rib>.
- To find a local office, visit <https://secure.ssa.gov/ICON/main.jsp>.
- To apply for SSI, please call 1-800-772-1213 or visit your local office.
- To estimate your retirement benefits based on your real earnings history, visit <http://www.socialsecurity.gov/estimator/>.
- To appeal a decision made by the SSA, call 1-800-772-1213.
- Video Service Delivery (VSD) can help you get service via a video system at a location closer to you than your local office. You can find a listing of where VSD is available at socialsecurity.gov.

SOURCES

1). US Social Security Administration, www.socialsecurity.gov

2). Boccia, Romina (2014). *How Social Security Works in 2014*, The Heritage Foundation, <http://www.heritage.org/research/reports/2014/04/how-social-security-works-in-2014>

10501 Montgomery Blvd. NE Suite 210 Albuquerque, NM 87111 505.292.2001 www.nicoa.org

This project is supported by a grant from the U.S. Department of Health & Human Services, Administration for Community Living/Administration on Aging, National Minority Aging Organizations Technical Assistance Consortium: Native American Center Supporting Aging Grant # 90HD008.