

A Brief Explanation of Social Security Act

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for each worker by the Social Security Board. When a claim is filed, the wages credited to that worker's account are used to compute the amount of his benefits.

The monthly payments provided under the system are of two general kinds:

- (1) Retirement payments—
For the qualified worker himself after he reaches 65 and stops regular work;
His wife, if or when she is 65;
His children until they are 16, or 18 if still in school.
- (2) Survivors payments when a qualified worker dies—
For his children until they reach 16, or 18 if still in school;
His widow while she has such children in her care;
His widow if or when she is 65;
His dependent parents at age 65, if he has left no widow or young child.

When the worker leaves no survivor entitled to monthly payments at the time of his death, lump-sum death payments are made. These may go to the widow, widower, child, grandchild, or parent, in the order named. If the worker is not survived by any such relative, the lump sum may be paid to other relatives or friends who paid the burial expenses.

To qualify for insurance benefits, the worker must have earned \$50 or more a quarter year, in at least half the quarter years between the beginning of work on January 1, 1937, when the system went into effect, and the quarter year in which he became 65 or died. Members of the worker's family are qualified for benefits if he is receiving benefits or if he is qualified when he dies, and they establish certain facts such as their age and relations to him. In order to receive payments, the beneficiary—whether the worker or a member of his family—must not be working on any job cov-

ered by the law *if the job pays \$15 or more a month.*

The worker's own benefit—called the "primary benefit"—is computed by taking 40 percent of the first \$50 of his average monthly pay, adding 10 percent of the rest up to \$250, and then adding 1 percent of this sum for each year in which he was paid \$200 or more on covered jobs.

The benefits paid the worker's family are figured from his "primary benefit." A widow receives three-fourths of the primary benefit to which the worker would have been entitled. For all others—a wife, a child, or a dependent parent—the monthly payment is equal to half the worker's primary benefit.

The total monthly benefits that may be paid on one worker's account may not be less than \$10 a month. The law also sets a top limit for family benefits: The total may not be more than twice the primary benefit, or 80 percent of the worker's average wage, or \$85, whichever is the least.

A retired wage earner is getting a primary benefit of \$30 a month. His wife, who is also 65, receives an additional \$15, making \$45 a month for the two as long as they both live. If the husband dies, his widow would receive \$22.50 three-fourths of his primary benefit of \$30 for the rest of her life, since in this case, she is already 65.

Another retired worker is also getting \$30 a month. His wife is only 50, so she cannot yet receive a benefit. But he has two children under 18, each of whom is entitled to one-half the primary benefit. This gives the family \$60 a month. The children's benefits will stop as each of them reaches 18. But when the wife is 65 she receives a benefit—one-half of \$30 if her husband is still living; three-fourths as a widow.

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