

what the NEW social security means to you



employees' and employers' new rate

1958	2 1/4%
1959	2 1/2%
1960-62	3%
1963-65	3 1/2%
1965-68	4%
1969 and thereafter	4 1/2%

self-employed new rate

1958	3 3/4%
1959	3 3/4%
1960-62	4 1/2%
1963-65	5 1/4%
1965-68	6%
1969 and thereafter	6 3/4%

You'll be
paying more to
support the program—
be sure you
don't miss any
of its benefits.

by Joseph N. Bell

IN A SMALL upstate New York town last year, a young widow with two small children was spending upwards of 12 hours a day scrubbing floors to make enough money to keep her going. In Illinois, a 71-year-old man had exhausted his savings and was desperately trying to avoid asking help from his children.

About the same time, the widow of an Army sergeant—killed in a military accident—was forced to break up her home on the West Coast and seek foster parents for her five children.

These widely scattered people with widely divergent problems had one pathetic thing in common: each was eligible for sizable Social Security payments—and didn't realize it.

The first widow didn't know that dependents can draw Social Security benefits even though the deceased husband hadn't reached the age of 65; the elderly man thought that Social Security was only for the impoverished and had pauperized himself before seeking it; and the Army widow wasn't aware that military service counts in adding up the period of time needed for Social Security coverage.

These are just three of the many thousands of Americans who, out of ignorance or apathy, fail to collect what is due them from the Social Security program to which they contributed. In September, President Eisenhower signed into law a new Social Security bill which liberalized benefits considerably. Every American should know the provisions of this bill and understand what it means to him.

Specifically, the new Social Security law:

1. Increased benefits by about 7 percent.
2. Raised the maximum allowable monthly benefit (principally for widows with dependent children) from \$200 to \$254.

3. Liberalized the work requirements for disabled workers to benefit from the program, and provided payments for their dependents.

4. Enhanced the earning power of retired workers. Although the maximum allowable yearly income remains at \$1,200, retired workers can now draw monthly benefit checks for any month in which they did not earn \$100 or more.

5. Provided benefits for dependent parents of a deceased worker, even though he or she is survived by a widow, widower, or child.

6. Made it easier for borderline types of work to be included under the Social Security program, liberalized benefits for adopted children, and provided payments (under certain circumstances) to annuitants who remarry.

7. Stipulated that increased benefits should begin with the first monthly payment for 1959, due shortly after Feb. 1.

This sizable broadening of benefits will tap the Social Security till for many additional millions of dollars each year. Since the program operated in the red for the first time in 1958, this means a considerable increase in the Social Security tax rate is necessary to support the new program and make up deficits in the old one. As a result, Americans will be paying into Social Security at a steadily increasing rate over the next decade.

The new Social Security law steps up the tax rate every three years (beginning with an increase of 1/2 of 1 percent for employed workers and 3/8 of 1 percent for self-employed people in 1959) instead of the five-year interval in the old law. Thus the maximum rate of 4 1/2 percent for employers and employees (or a combined 9 percent) and 6 3/4 percent for self-employed people will be attained by 1969 instead of 1975. And beginning Jan. 1, 1959, Social Security taxes will be applied to the first

\$4,800 (instead of the previous \$4,200) of income.

This means that Social Security is going to cost the employed worker \$51 more in 1959—assuming he earns more than \$4,800. In 1960, and each third year after that until 1969, the Social Security tax will increase an additional \$48, divided equally between worker and employer. Thus, by 1969—under the present law—you and your employer will be contributing a maximum of \$432 annually to support Social Security. During the same period (1960-1969), the tax on self-employed persons earning \$4,800 or more will increase from \$142 yearly to \$324.

These figures add up to the fact that you are investing a considerable portion of your present and future income in Social Security. You should know what you're getting for it. Unhappily, many Americans have only a limited knowledge of their rights under the Social Security program.

SOCIAL SECURITY is available to help you in three broad areas. First, it provides income to dependents of deceased and living workers who have contributed to the program and who have died or reached retirement age. Second, it offers monthly old-age benefits to men 65 years of age or over and women 62 or over. And, finally, it supplies an income for workers (50 years of age or over) covered by the program who have become totally disabled through accident or illness—as well as to the wife and minor or disabled children of such covered workers.

There are many complexities within these three broad areas, but if your situation falls within any of them, you should investigate. Far and away the least-understood benefit under Social Security is the survivor's insurance; yet this is a vital consideration, particularly to young families.

Take the case of the factory worker in Baltimore



average monthly salary	retired worker at 65		retired worker and wife at 65		woman worker retired at 62		widow at 62		widow or widower with child or parent		widow with two children	
	old	new	old	new	old	new	old	new	old	new	old	new
\$50	\$30.00	\$33.00	\$45.00	\$49.50	\$24.00	\$26.40	\$30.00	\$33.00	\$45.00	\$49.60	\$50.20	\$53.10
100	55.00	59.00	82.50	88.50	44.00	47.20	41.30	44.30	82.60	88.50	82.60	88.50
150	68.50	73.00	102.50	109.50	54.80	58.40	51.40	54.80	102.80	109.60	120.00	120.00
200	78.50	84.00	117.80	126.00	62.80	67.20	58.90	63.00	117.80	126.00	157.10	161.60
250	88.50	95.00	132.80	142.50	70.80	76.00	66.40	71.30	132.80	142.60	177.20	190.10
300	98.50	105.00	147.80	157.50	78.80	84.00	73.90	78.80	147.80	157.60	197.10	210.20
350	108.50	116.00	162.80	174.00	86.80	92.80	81.40	87.00	162.80	174.00	200.00	232.00
400	108.50	127.00	162.80	190.50	86.80	101.60	81.40	95.30	162.80	190.60	200.00	254.00

whose wife had also been employed. She died suddenly, leaving him with a small daughter who had to be cared for while the father was at work. For five years he struggled along, strapped by the cost of his daughter's care, plus their normal living expenses. Then, one day, while rummaging through some old papers, he found his wife's Social Security card and noticed it said to notify the agency if any worker in the family died. He did—and found that he was entitled to \$73 a month to help with the care of his daughter until she was 18 years old.

Social Security officials estimate that there are many thousands of Americans—like this worker—who are unaware of benefits to which they are entitled. A majority of them fall into one of the following groups:

—Widows and retired women workers over 62 who haven't taken advantage of the lowering of the eligibility age for women from 65 to 62 in 1956;

—Self-employed workers. About one-fifth of the eligibles in this group are not filing the necessary returns to bring them under the program, even though this action is required by law;

—Farmers. Only about two-thirds of the farm people eligible for coverage are contributing—as required—to Social Security;

—Clergymen. More than half of the nation's clergymen are not taking advantage of the Social Security coverage—optional for them—which was granted in 1954;

—Permanently disabled workers. This group, which is probably the neediest of all, also has the largest number of workers entitled to benefits who have not applied for them. In 1956, Congress added disability insurance to the Social Security program, and provided that a permanently disabled worker could collect his full retirement benefits at the age of 50, providing he requested that the wage record

of his earning years be "frozen" after the disability took place. Although the figure is being reduced steadily, an estimated 25 percent of the nation's disabled workers have not requested the "freeze" and aren't collecting Social Security benefits due them.

In addition, there are hundreds of thousands of workers over 65 who are entitled to some benefits, even though they are working full time. These people should investigate to find out under what circumstances they may be able to collect a portion of their old-age benefits. There are also thousands of American workers over 72 years of age who are still employed and haven't applied for Social Security. Citizens 72 or over can collect their full Social Security checks regardless of the amount they are earning from their employment.

GOVERNMENT officials are going all out to publicize the changes in the Social Security program so that every eligible citizen may claim his full benefits. The agency has enlisted the aid of hundreds of thousands of funeral directors, clergymen, doctors, hospital staff members, and union and company personnel officials to make sure that everyone is informed of his Social Security rights when a family emergency or retirement comes along.

Yet many potential beneficiaries still are in the dark, and the Social Security agency, which has almost 100 million files in its records, can't afford to look up these people individually. So it's up to you to keep posted on what you can expect from Social Security—and to apply for it when the proper time comes.

For example, you should know that if your 65th birthday falls in 1971 or later, you will need to have worked at least 10 years under Social Security in order to become eligible for benefits. If you reach 65 before 1971, the number of years you must have

contributed to the program ranges from four years in 1959 to nine a decade later.

You should be aware that all Social Security benefits are tax-free; that funeral expenses up to \$255 can be collected for a worker covered by the program, but the money must be applied for within two years after the death of the worker. And you should know that Social Security never arrives automatically the first time; it must be applied for. (Increases in payments for present beneficiaries, however, will be automatic.)

A safe maxim to follow in your Social Security program is: "When in doubt, ask." There are more than 500 Social Security branch offices in cities throughout the United States, plus some 3,000 additional contact points in smaller towns and rural areas. If you have a question about Social Security, look in your local telephone book for the Social Security office, listed under: "United States Government, Dept. of Health, Education, and Welfare." If you can find no listing in your town or neighboring communities, inquire at your local post office.

Under the new Social Security law, a retired couple—where the breadwinner earned the maximum average income of \$4,800 or more—will be immediately entitled to a monthly income of \$174 from Social Security alone. (Although the maximum benefit under such circumstances is listed as \$190.50, it will be impossible to attain this figure for many years because the earlier taxes, based on income maximums of \$3,600 and \$4,200, must be included in present computations.)

Other benefits from the Social Security program are commensurate with these increased old-age payments. You have made the program possible by your contributions. You owe it to yourself and your family to find out where, how, and when you can expect a return on this investment.