

Understanding Social Security

Retirement and Social Security may sound synonymous. But, in fact, while Social Security does provide a foundation for retirement benefits for millions of Americans, it also provides other benefits. Few people can afford to retire on social security alone. Your payroll deductions cover retirement benefits, disability insurance, dependents' and survivors' benefits, and Medicare. These benefits add up to major protection. Here's a summary:

Retirement benefits, the foundation of the Social Security system, are currently geared toward normal retirement at age 65. People who retire before age 65 receive less; those who retire after age 65 receive more.

The amount you will receive depends not only on how old you are when you retire but also on how much you've earned over the years. Dependents' benefits, also based on your retirement age, can raise the total.

Disability benefits, computed by a method similar to that used for retirement benefits, are paid to individuals laid up with any disability that (a) prevents gainful employment and (b) lasts or is expected to last for at least a year or end in death.

Benefits can start for the sixth full month of disability; once started, they continue as long as the recipient remains disabled and unable to perform substantial gainful work.

Family and survivors' benefits. Once you qualify for either retirement or disability benefits, family members may also be entitled to Social Security benefits. If you die, survivors may also be entitled to benefits. Those eligible may include children and stepchildren, spouses, widows and widowers, divorced spouses and parents.

Eligibility for these benefits is spelled out in the law. Children, for example, must generally be unmarried and under age 18 (or under 19 and a full-time high school student). Spouses must be at least age 62 or, at any age, caring for a child who is either under age 16 or any age if disabled before age 22. Full details can be found in a leaflet called "Your Social Security", updated each year and available from your local Social Security office.

Medicare provides hospital and medical insurance for almost everyone who is 65 or over, for disabled persons who have been getting Social Security disability payments for at least two years and for certain people with severe kidney disorders requiring costly treatment. You apply for Medicare through your local Social Security office.