

# Solutions, Strategies, Answers

Newsletter of the 18 Social Security Administration offices in  
Bucks, Chester, Delaware, Lehigh, Monroe, Montgomery, Northampton, and Philadelphia counties

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## Good News ...

### You “Made” More than You Thought

**Question:** Is there any place where you can get credit for more earnings than you actually had? Of course – look no further than our retirement benefit calculations. When we figure your benefit, we use your 35 highest years of work. But our selection process is probably different than you would think. One of the really good things about Social Security is that we “index” (adjust by multiplication) your earnings to changes in the national average wage level. This ensures that your future benefits reflect the general rise in the standard of living that occurred during your working lifetime.

**Let’s say you’re turning 62 in 2024**, and when you started working at age 20 in 1982 you earned \$20,000. And every 10 years thereafter you were earning \$20,000 more. What would indexing do for you?

<u>Actual earnings</u>	<u>Index factor</u>	<u>Credited Earnings</u>
1982 - \$20,000	4.39	\$87,800
1992 - \$40,000	2.78	\$111,200
2002 - \$60,000	1.91	\$114,600
2012 - \$80,000	1.43	\$114,400
2022 - \$100,000	1.00	\$100,000

**Note that your actual earnings** were \$300,000 but your *credited earnings* are \$528,000. Your year of birth determines your indexing numbers, but indexing lessens as the years pass. It stops the year you turn 60. Find your numbers at [Indexing Factors for Earnings \(ssa.gov\)](https://ssa.gov)



## Just Like the Games, You’ve Got to Qualify

In a few weeks the **City of Light** will take center stage as Paris serves as the site for the Summer Olympics. All those gymnasts, runners, swimmers, and break dancers – yes, that’s right, breakers are in this year – had to meet strict qualifying standards. Now here at SSA we don’t require a great 1,500 meter time for you to receive benefits, but nonetheless there are certain qualifications.

**Retirement** – You must have worked at least 10 years at jobs where you paid into Social Security. Ten years provides 40 work “credits.” In 2024, you earn one credit for each \$1,730 of gross earnings. But regardless of total earnings, you are capped at four credits per year.

**Disability** – The amount of work that a disabled individual needs is tied to their age when they became disabled. You need a total number of work credits overall, plus a certain amount of work close to the date you became disabled. Some young people need as little as 1.5 years of work. Also, there is also a strict medical standard that must be met.

**Survivors** – To pay benefits to a surviving spouse and/or children, the deceased must have earned at least one work credit for each year from age 22 to the year of death. E.g., if someone died at age 40, they would have needed 18 credits (*about 4.5 years of work*). If this number is not met, no benefits are payable.

**Medicare** – People can qualify on the basis of age (*65 or older*), while younger disabled individuals must have received at least 24 months of Social Security disability benefits.

Go for all this “golden” information (*had to say that!*) at [Understanding the Benefits \(ssa.gov\)](https://ssa.gov)



## From One Extreme to Another

**Newly released data illustrates** that in a country as large and diverse as ours, there are great variations in whether an individual is connected to the Social Security program ... or not. Two demographic groups particularly show this out.

**“Never Beneficiaries”** - About 3.3 percent of the total U.S. population age 60 and older will never receive Social Security. They fall into four categories:

- 49 percent are **late-arriving immigrants** who come to the U.S. after age 50. They will lack sufficient earnings to qualify.
- 38.9 percent are **infrequent workers** who do not have a consistent work history.
- 10.8 percent are **non-covered workers** (mostly state and local government employees) who did not pay into Social Security.
- 1.3 percent are workers projected to have sufficient earnings, but **who will die** before receiving benefits

**“The Six Percent”** - Every year about six percent of covered workers will have earnings above the taxable maximum, which is \$168,600 in 2024. About one out of five current or future covered workers are projected to exceed the limit in at least one year of their working lifetime.

## Hope You Got a Charge Out of Birthday #248



To get on our mail list, contact:

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And for you, no charge!

## About That Lump-Sum Death Payment ...

One area of Social Security that has always drawn a lot of interest is the **\$255 Lump-Sum Death Payment**, which sometimes is paid on the record of a deceased worker. Under the Social Security Act of 1935, we originally intended the LSDP to provide a modest amount of money for a widow or widower to help meet the expenses of the worker's last illness and death. In 1960, the law changed so that a person who assumed responsibility for the worker's burial expenses could authorize payment directly to the funeral home. If no one assumed responsibility for the worker's burial expenses, we paid the benefit directly to the funeral home.

**A law change in 1981** limited the benefit. Now it is only paid to a spouse who was living with the worker at the time of death, or to a spouse or a child who, in the month of death, is eligible for a Social Security benefit based on the worker's record. The change ensured that we pay this benefit only to people who were presumably dependent on the worker. Before this change, we paid almost half of these benefits when there was neither a surviving spouse nor a surviving dependent child. The change reduced Social Security program costs and improved the financial position of the program.

**We consider a married couple to be “living in the same household”** if they were customarily living together. Temporary separations do not necessarily prevent us from considering a couple as living together. Extended separations, including most that last six months or more, generally suggest that the couple was not living together. However, if the couple separated solely for medical reasons but otherwise would have been living together, we consider them to be living in the same household, no matter how long the separation lasts.

[How Social Security Can Help You When a Family Member Dies \(ssa.gov\)](https://www.ssa.gov)

## Well, We Already Had a “Blue Book” ...



so that's why we have a red cover on our **Guide to Work Incentives and Employment Supports**. This 60-page booklet explains what happens when people receiving disability benefits return to work. View it, or even order a hard copy, at [Social Security Online - The Red Book - A Guide to Work Incentives \(ssa.gov\)](https://www.ssa.gov)