

FINANCIAL ASSISTANCE

Social Security

Social Security is a system enacted by Congress designed to supplement your retirement income. It is not intended to provide your sole source of income—it merely adds to the pension benefits, savings plans, and other investments that you will rely on during retirement.

Introduction

Different types of benefits are payable under various provisions of the Social Security Act, but when the average person uses the phrase “Social Security benefits,” he or she usually means the Retirement, Survivors, Disability and Health Insurance Program (RSDHI). These are monthly cash benefits paid to you as a retired or disabled worker; to qualified spouses, children, and parents of retired or disabled workers; and to qualified widows, widowers, and divorced spouses of workers.

The RSDHI Program is financed largely out of taxes paid by employers and employees. It is an insurance program. Benefits received by you and your dependents have been earned by you through your employment and the taxes collected regularly from your wages. These tax deductions are shown on your paycheck next to the initials “FICA.” The letters “FICA” stand for “Federal Insurance Contributions Act,” which is the official name for the federal laws which established the social security program in 1935. These deductions rise periodically. The money collected from this tax goes into trust funds, and current benefits are paid out of these funds.

General Eligibility

Eligibility for Social Security benefits depends on the length of time you have been working and paying Social Security taxes. Generally, an individual is eligible for benefits after a lifetime total of ten years in employment covered by Social Security. “Covered” employment refers to all employment and self-employment in which the employee and employer are obligated to pay a payroll tax to the Social Security Administration. The ten years may be calculated by totaling the number of “quarters” worked by the individual. A “quarter” is defined as a three-month period; that is, there are four quarters per year. Thus, ten years of employment is the equivalent of forty quarters.

If you stop working before you achieve the forty quarters necessary to qualify, your quarters will be kept on record. If you start working again, your quarters will continue to accumulate. In some cases, you may not need the forty quarters to qualify for benefits. To find out how many quarters you have or how many you need to qualify, contact your local Social Security Administration Office.

Your Social Security Number

To collect Social Security, you will need your Social Security number. If you have lost your card, or don't know your Social Security number, you can apply at your local Social Security office. They will ask for identification, such as a birth certificate for a new card, picture identification for a replacement card, and a marriage certificate or divorce papers if you simply need to change your name.

FINANCIAL ASSISTANCE

Retirement Benefits

The amount you receive in Social Security retirement benefits depends on how much income you averaged over your career. If you made a high amount of income, your benefits will be proportionately greater than if you had periods of no work or low salary. Your level of benefits is also affected by when you begin receiving Social Security. If you are eligible for benefits, certain family members can also receive benefits:

- your spouse age 62 or older,
- your spouse under 62 if caring for a child under 16 years old or a disabled child,
- your former spouse age 62 or older and unmarried (provided you were married 10 years or longer),
- children up to age 18,
- children age 18–19 if they are full-time students through grade 12,
- children over age 18 if child became disabled before the age of 22, and
- a widow or widower in certain situations.

When Should You Retire?

Individuals are eligible to receive full retirement benefits at age 65, if they were born in 1937 or before and they have obtained the necessary work quarters and have worked for the requisite amount of time. It is possible to obtain benefits at 62 years of age, but the amount you receive will be reduced by about 20%. If your full retirement age is older than 65 (that is, you were born after 1937), you still will be able to take your retirement benefits at age 62, but the reduction in your benefit amount will be greater than it is for people retiring now. If you do not take Social Security at 65 years of age and continue to work, you will receive additional money when you apply for and receive your Social Security Benefits. Your benefits will be raised by a certain percentage each year that you delay retirement.

You can also choose to receive Social Security benefits after reaching your full retirement age (age 65 or older, depending on the year of your birth) and remain at work. When you are 65 or older, you can work and receive full Social Security benefits with no limit on earnings. If your postretirement earnings are greater than your earnings in preretirement years, you may be entitled to larger Social Security benefits. Ask your local Social Security office to recalculate your benefits if your postretirement earnings have significantly increased.

A year before you retire, you should consult with a Social Security representative to help you plan the best time to apply to get the maximum benefits. There are advantages for some people in retiring at age 62, and for others it makes sense to wait until later. Your Social Security representative can help you interpret the complex rules.

Note: If you choose to delay your retirement, generally you should still sign up for Medicare at age 65. See your Social Security office for more details.

FINANCIAL ASSISTANCE

Benefits For Your Spouse

Your spouse may be eligible for payments from his/her own Social Security benefits. Your spouse can also collect approximately 50% of your Social Security if:

- his/her payments are less than 50% of your Social Security, and
- he/she is 62 years or older or caring for your dependent child who is disabled or under 16.
- if the spouse begins collecting his/her own Social Security benefits before reaching full retirement age, the 50% amount of your benefits the spouse receives is permanently reduced by a percentage based on the number of months before he/she reaches full retirement age.

Survivor's Benefits

When a fully insured worker or retired worker dies, the survivor's checks can go to certain members of the worker's family:

- widow or widower who is over age 60 (or age 50 to 60 if disabled),
- surviving divorced spouse over age 62 and unmarried, (provided you were married 10 years or longer),
- widow or widower under age 60 if caring for a child under 16 years old or a disabled child,
- unmarried minor and disabled children, and
- parent of a deceased worker if parent is 62 or older and was dependent up on the deceased worker for half of his or her support.

When a fully insured worker or retired worker dies, a small lump-sum death benefit may be paid to an eligible surviving widow, widower, or entitled child.

Disability Benefits

There are benefits for certain disabled persons who are not old enough to qualify for regular Social Security payments. If you are 31 through 42 years old and are disabled and have worked under Social Security, at least 20 of the credits must have been earned in the 10 years immediately before becoming disabled in order for you to be entitled to Social Security disability payments. (More credits are required for older persons.) Younger workers with fewer years working under Social Security also may qualify. For a worker to qualify for disability benefits, the worker must be unable to engage in any substantial gainful activity due to a physical or mental impairment that is expected to result in death or has lasted, or is expected to last, for at least 12 months.

An individual is eligible for Social Security Disability Insurance (SSDI) on the date he or she becomes permanently disabled. From this date, there is a waiting period of five months before benefits begin. In the event that an applicant is approved for SSDI after the sixth month of disability, the Social Security Administration will make a retroactive payment.

The level of monthly disability benefit is determined by the amount of one's earnings, age at onset of disability, and date of disability. You may receive an estimate of your benefits through your local Social Security office.

FINANCIAL ASSISTANCE

If you are eligible for SSDI, certain family members also may be eligible for benefits:

- your unmarried children under 18, or under 19 if in high school full-time,
- your unmarried child, age 18 or older, who was disabled before age 22,
- your disabled widow or widower, age 50 or older, provided the disability was stated before your death or within seven years after your death,
- your spouse, if 62 or over,
- your spouse at any age and caring for a child who is under 16 or is disabled.

There are also benefits for certain needy disabled adults and minors who have not worked under Social Security or do not have enough Social Security credits to obtain regular social security benefits. The program is called Supplemental Security Income. If you or your child is disabled, you may be entitled to such payments. See page 6 for further information on this program.

Applying for Benefits

You may apply for benefits by going to your local Social Security office; calling the toll-free number: (800) 772-1213 (TTY (800) 325-0778); or accessing the Web site www.ssa.gov. The Social Security Administration has many free pamphlets and articles to advise you of your rights and duties. They will inform you on how to apply for benefits and how to receive your benefits. Social Security will also furnish a form allowing you to check the status of your Social Security account.

Appeals Process for Social Security

If your application for Social Security benefits is denied OR if any of your benefits is reduced or terminated, you have the right to appeal the decision. The appeals process has four steps: (1) reconsideration, (2) administrative hearing, (3) review by Appeals Council, and (4) federal court review.

Step 1: Make a written request for reconsideration within 60 days of the date you receive notice of the decision. If you have been receiving benefits and you receive notice that your benefits are being reduced or terminated, you must make the request within 10 days so your benefits will continue during the appeal. A social security representative will help you with your request.

Step 2: If you are not satisfied with the result of the reconsideration, you may appeal again and ask for a hearing before an administrative law judge. Many decisions are reversed after the hearing. You must request the hearing within 60 days of the date you receive notice of the reconsideration decision.

Step 3: If you disagree with the judge's decision, you may request a hearing by the Social Security Appeals Council in Arlington, Virginia, within 60 days of the hearing decision.

Step 4: If the Council refuses to hear your case or decides against you, you have another 60 days to appeal to a federal district court. At this stage, if not before, you should seek assistance from an attorney.

Winning an appeal at any level may entitle you to receive lost benefits—retroactively to the date of application, reduction, or termination.

Contact your Area Agency on Aging, Legal Aid office, or the Virginia State Bar Lawyer Referral Service for attorneys who may provide assistance with your appeal.

FINANCIAL ASSISTANCE

Overpayments

Every month, thousands of Social Security beneficiaries receive documents entitled “NOTICE OF OVERPAYMENT.” Overpayment occurs when the Social Security benefits you receive are more than the amount for which you are eligible. If you receive a notice of overpayment which tells you that you will have to pay back the money or it will be withheld from your future check, you have the right to appeal that decision. If you appeal within **30 days** of receiving a notice of overpayment, the Social Security Administration will not reduce your benefits pending the outcome of the appeal. In order to protect your rights, you should request one or both of the following:

- **Reconsideration of Overpayment:** You have the right to ask the Social Security Administration to look at the decision again. Request reconsideration if you feel you were not at fault in causing the overpayment and if repayment of the money would create a serious hardship for you.
- **Waiver of Repayment:** You have the right to ask that the Social Security Administration not recover the overpayment. Request a waiver if you feel no overpayment occurred or if the amount which Social Security claims is overpaid or wrong.

There are specific forms for each of the above which are available at your local Social Security Administration office.

Representative Payee

A “representative payee” is a person or organization designated to receive Social Security benefit checks on behalf of a beneficiary who may not be able to manage his or her own affairs. The representative payee has the primary responsibility of using the Social Security check for the beneficiary’s basic or personal needs. Usually, the representative payee is a spouse or other relative, friend, or legal guardian. Institutions, such as nursing homes and mental health centers, may also be designated to receive Social Security benefit checks on behalf of a beneficiary.

To have a representative payee appointed for a beneficiary, the Social Security Office must be notified that the individual is incapable of handling his or her own affairs. The Social Security Administration can then appoint a payee if it decides that this is in the individual’s best interest. The SSA makes such decisions based on doctor reports, court decisions, and statements from others who know the beneficiary.

If a representative payee is appointed for you, the SSA must tell you in writing before sending benefits to the payee. Any appointment may be challenged by appeal. If your representative payee does not use your benefit check for you, the SSA may have to reimburse you. You should immediately contact the SSA with reports of misuse of benefits.

Direct Deposit

Your Social Security check must be deposited directly into your bank account. In some instances, it is advisable to have a separate account solely for Social Security payments, especially if garnishment of your bank account is at all likely.