

Solutions, Strategies, Answers

Newsletter of the 18 Social Security Administration offices in
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The Month of May: Mint Juleps, Moms, and Remembering

On Saturday, May 6, they will “Run for the Roses” at Churchill Downs for the 149th time. This year you can spend \$1,000 on a sapphire-encrusted cup containing the famous mint julep. Better have a good day at the track!

Sunday, May 14, will mark Mother’s Day, declared a national holiday by President Woodrow Wilson in 1914. Since Mother’s Day is all about family, it got us thinking about our motto that Social Security benefits provide “a family package of protection.” One of those benefits is that for “young mothers” (also, “young fathers”).

When a married worker dies, a surviving spouse normally must be at least age 60 to receive benefits. But if the survivor has a child of the deceased who is under age 16 in his/her care, then the survivor can receive at any age. This parent’s benefit stops when the child turns 16, though the child continues to receive to age 18.

Currently, there are 105,374 “young parents” receiving benefits. Of those, 92 percent are “young mothers” and 8 percent are “young fathers.” By comparison, there are 3.5 million surviving spouses age 60 and older.

[If You Are the Survivor | SSA](#)

Over 1.3 million members of the U.S. military have died in wars or conflicts. Almost half of those deaths – an estimated 655,000 - occurred in our Civil War. That horrific conflict led to the establishment of Memorial Day, which we will celebrate this year on **Monday, May 29**. We honor the valor and bravery of all those who lost their life in the service of this country. Of course, Social Security survivors benefits are available to the spouses and children of the fallen. And military personnel who suffer from combat injuries may be eligible for disability benefits. For more information, check our web section that explains how we expedite disability claims for our wounded warriors.

[Information for Military & Veterans | SSA](#)



Trusting in the Trustees Report

The Social Security Board of Trustees recently released its annual report on the program’s financial status. The combined assets of the retirement and survivors fund, along with the disability fund, are projected to be depleted by **2034**, which is one year earlier than last year’s projection. Revenue to the funds, primarily from worker payroll (FICA) taxes, would allow for payment of 80 percent of benefits at that time.

Obviously, there is a need for **substantial changes** to address financial challenges. However, with informed discussion, creative thinking and timely legislative action, Social Security can continue to protect future generations. Now, there are many other items in the report that don’t get as much attention as the trust funds depletion date; here are some overlooked but interesting aspects:

There are 2.7 workers paying FICA tax for every person receiving benefits. By 2034, that figure is projected to drop to about 2.3 workers per beneficiary.

The percentage of all earnings that is subject to FICA tax has declined steadily since 1983, due to an increase in very high earners. Today, about 81 percent of all earnings are FICA-taxed; in 1983, that figure was 89 percent.

The U.S. fertility rate is about 1.7 children for each woman of childbearing age. The rate is projected to rise to about 1.9 children by 2034. Higher fertility rates are, in time, a positive for the trust funds.

You can see the entire Trustees Report at:

[The 2023 OASDI Trustees Report \(ssa.gov\)](#)

Benefits to the Max

One of the aspects of Social Security that can sometimes be a source of confusion is the provision known as the “**Family Maximum.**” These complex rules limit the total benefits that can be paid to a beneficiary’s family. Although the worker always receives his/her full benefit, the auxiliary benefits can be reduced, or in some cases, not paid at all.

Retirement and survivor beneficiary families are only affected when three or more members receive benefits. The maximum total amount of benefits allowed varies between 150 percent to 188 percent of the worker’s full benefit.

Example #1: A deceased worker with a full benefit of \$1,200 who had a spouse and two children. Under normal rules, each survivor is due 75 percent of the full benefit. Using that formula, each would be due \$900 (75 percent of \$1,200), totaling \$2,700 for the family.

But, after the complex family maximum calculation is applied, benefits are capped at \$1,977. Thus, each would receive \$659, which is \$241 less per member than under the normal rules. Keep in mind that when the oldest child turns 18 and stops receiving, the remaining two survivors will have their amount refigured and increased.

The disability family maximum affects many more families and a wider range of family sizes than the retirement or survivor families because the disability rules are more restrictive. Family members sometimes lose all their benefits even in cases where only one member qualifies. All families with three or more members are affected, while more than half with two or more members are affected.

Example #2: A disabled worker with a full benefit of \$1,200 with a spouse and two children. Under normal rules, each family member is due 50 percent of the full benefit. Using that formula, each would be due \$600 (50 percent of \$1,200), totaling \$3,000 for the family.

But, after the restrictive disability family maximum calculation is applied, benefits are capped at \$1,800. Since the worker always gets his full benefits, he receives \$1,200. That leaves \$600 to be divided among the three members, providing them with \$200 each.

[Formula for Family Maximum Benefit \(ssa.gov\)](http://ssa.gov)

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Disability Beneficiaries: Leading Diagnostic Groups

Over 7.5 million individuals receive Social Security disability benefits. Here are the top five diagnostic groups:

- 30.1 % - Musculoskeletal system & connective tissue
- 12.1% - Depression, bipolar disorder, & related disorders
- 10.0% - Diseases of the nervous system & sense organs
- 8.9% - Intellectual disorders
- 6.8% - Circulatory system disease



The Ticket Program: A Positive Impact, But Still More to Do

Our Office of Retirement & Disability Policy recently conducted a study of the Ticket to Work (TTW) program. Signed into law in 1999, TTW was based on the premise that Social Security and Supplemental Security Income disability recipients had the functional capacity and the desire to work, but had too few options for employment services. TTW established service providers, called **Employment Networks**, to provide more choices for both job training and related services for disabled job seekers.

The analysis showed that TTW has improved choice and induced more beneficiaries to try to improve their lives through work. The employment services have led to an increase in beneficiary earnings, but further research is needed to determine how much these gains offset the cost of the program to SSA. Although TTW has not enabled large numbers of beneficiaries to leave the rolls because of their work, nonetheless it has had important and valid achievements that SSA can build on. So, despite the fact that TTW has not yet brought about the sea change its designers hoped for, there is substantial evidence that it has, and will continue to have, a significant positive effect on the lives of the people it serves.

[Choose Work! - Ticket to Work - Social Security \(ssa.gov\)](http://ssa.gov)