



CONSORTIUM FOR CITIZENS  
WITH DISABILITIES

## **SOCIAL SECURITY FACT SHEET #4**

### **How Does Social Security Protect Young Workers & Their Families?**

Young workers are already earning Social Security protection for themselves and their families if they become disabled or die. Disability and death can happen at any time, to people of all ages. Before reaching age 67, almost three in ten of today's 20 year-olds will have a disability and about one in seven will die.

The vast majority of workers of all ages pay Social Security taxes. In fact, 93 percent of all workers are in jobs covered by payroll taxes called "FICA" (Federal Income Contribution Act). Younger workers who pay FICA and continue to work fairly regularly are entitled to disability and survivors insurance for themselves and their families. This insurance is very valuable and for some families who suddenly face the loss of their primary wage earner, it is the major source of income. According to the Social Security Administration, for a young average earner with a spouse and two children, these benefits now equal life insurance worth \$476,000 and disability insurance worth about \$465,000. Very few young workers can afford to buy this amount of private insurance.

#### **WHO RECEIVES SOCIAL SECURITY INSURANCE?**

- ✓ **Disability insurance for workers with disabilities, their spouses and minor children.** More than one half of disabled workers rely on Social Security for 75 percent or more of their income, with the vast majority relying on it for 90 percent or more of their income. For families with a disabled worker, Social Security provides about half of the family income.
- ✓ **Survivors insurance for children and spouses.** If a working parent dies, 98 of every 100 children could get benefits. Social Security pays more benefits to children than any other federal program. Benefits are based on the earnings of the working parent who died. The average monthly benefit in 2010 for a widowed mother with two children was \$2,392 (\$28,708 a year).
- ✓ **Insurance for disabled adult children.** These individuals have a severe disability that began before age 22. They qualify when a parent becomes disabled, retires or dies. They receive benefits from different Social Security programs depending on their parent's status and earnings record.

#### **HOW DO WORKERS EARN SOCIAL SECURITY INSURANCE?**

Workers can earn up to four credits for each calendar year when they work in covered jobs even if self-employed. People do not have to work the entire year to earn all four credits, but no one can earn more than that number of credits in any year. Each year, the amount needed to earn a credit increases slightly. In 2010, workers earn a credit for each \$1,120 of earnings so workers can earn all four with \$4,480 of earnings. No one needs more than 10 years of work to qualify for Social Security disability and survivors insurance for themselves and their families. For disability benefits, there is also a "recency of work" test, described below. Individuals who are blind, however, do not have to meet this requirement.

#### **WHEN ARE YOUNGER WORKERS AND THEIR FAMILIES ELIGIBLE TO RECEIVE DISABILITY INSURANCE BENEFITS?**

There are the rules for how much work someone needs to qualify for Social Security disability benefits:

- **Before age 24:** Workers who earn credits for just 1.5 years will be insured for benefits. They qualify with 6 credits earned in the 3-year period ending when disability starts.
- **Age 24 to 31:** Workers who earn credits for working half the time between age 21 and time of disability. Example: If disabled at age 27, the worker needs credit for 3 years of work (12 credits) out of the past 6 years (between ages 21 and 27).
- **Age 31 or older:** In general, workers must earn at least 20 credits in the 10 years immediately before the date of disability. (This is called the “recency of work” test, but does not apply to individuals who are blind.) Workers in this age group must also be “fully insured” which means they must have earned at least 40 work credits.

The federal law defines disability for Social Security benefits. The definition is based on a worker’s inability to work at a substantial level because of a medical condition. Adults must prove that they cannot do their previous work and the Social Security Administration decides if they cannot do other work because of their medical condition(s). The disability must last or be expected to last for at least a year or result in death.

The amount of the benefit depends on the worker’s previous earnings. When a worker qualifies, the spouse and children also may be eligible to receive monthly benefits. Each eligible child may receive up to one-half of the worker’s full disability amount. Spouses qualify at any age if they are caring for the disabled worker’s children who are under age 16 or disabled. Generally, at age 16, the children’s benefits continue, but the spouse’s stop unless he/she is old enough to get retirement (age 62 or older), surviving spouse disability (ages 50 to 59), or regular surviving spouse benefits (age 60) or if the child he/she cares for is disabled. Normally, benefits stop when children reach age 18 (age 19 if the child is in high school full time) unless they are married earlier or are disabled (before age 22). There is a family limit based on the amount of the worker’s benefit and the number of family members who also qualify.

## **WHEN ARE THE FAMILIES OF YOUNGER WORKERS ELIGIBLE FOR SURVIVOR INSURANCE BENEFITS?**

The number of credits needed for the family of the wage-earner to qualify for Social Security survivors benefits depends on the age of the wage-earner when he/she died. In general, younger workers need fewer credits than older workers. Surviving family members of younger workers (who died before age 24) can qualify for benefits if the wage earner had credit for one and one-half years of work (6 credits) in the three years before his/her death. How much each family receives is based on the worker’s average lifetime earnings. Benefits are based on what the worker would have received if he/she had reached full retirement age at the time of death. A widow or widower, at any age, who is caring for a child under age 16 will receive 75 percent of the deceased’s benefit. A child under age 18 (19 if still in high school) or an adult disabled child also will receive up to 75 percent of the deceased parent’s benefit.

The disability community urges policymakers to request a beneficiary impact statement on every major component of proposals to change Social Security. In a program that affects millions of individuals of all ages, it is essential to look beyond the budgetary changes to understand the actual impact on people’s daily lives now and in the future.

Produced by the **Consortium for Citizens with Disabilities** (CCD) Social Security Task Force. See [www.disabilityandsocialsecurity.org](http://www.disabilityandsocialsecurity.org) for more information about the Task Force’s public education and outreach campaign. To learn more about CCD, a coalition of over 100 national organizations, go to [www.c-c-d.org](http://www.c-c-d.org).