

Social Security

What Every
Woman Should
Know



Social Security And Today's Woman

Nearly every American—man, woman and child—has Social Security protection, either as a worker or as a dependent of a worker. When the program began in 1935, Social Security benefits were limited to retired workers, and most workers were men. Most women did not work outside the home.

Today, the role of women is far different. Nearly 60 percent of all women are in the nation's workforce. Many women work throughout their adult lives. Although Social Security always has provided benefits for women, it has taken on added significance. More women work, pay Social Security taxes and earn credit toward a monthly income for their retirement. Working women with children earn Social Security protection for themselves and their families. This could mean monthly benefits to a woman and her family if she becomes disabled and can no longer work. If she dies, her survivors may be eligible for benefits.

Although some women choose lifetime careers outside the home, many women work for a few years, leave the labor force to raise their children, and then return to work. Some women choose not to work outside their homes. They usually are covered by Social Security through their husband's work and can receive benefits when he retires, becomes disabled or dies.

Whether a woman works, has worked or has never worked, it is important that she knows exactly what Social Security coverage means to her. She also should know about Social Security coverage for anyone she may hire as a household worker or provider of child care. She needs to know what to do if she changes her name. And she needs to know that if she receives a pension for work not covered by Social Security, her Social Security benefits could be affected.

We invite you to read this booklet to see what Social Security offers you. The booklet is not intended as a complete explanation of the Social Security program. It's a guide to those provisions that are, or can be, of particular interest to **you and every woman**. You may want to keep this booklet for future reference.

Social Security's
Internet Website: *www.socialsecurity.gov*
Toll-Free Number: **1-800-772-1213**
TTY Number: 1-800-325-0778

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Part 1—When You’re Employed Or Self-Employed

When you work and pay Social Security taxes, you earn Social Security credits that can qualify you and your family for disability and survivors insurance coverage. You have this coverage whether you work for an employer or whether you are self-employed. You’re also earning credits toward your retirement benefits. In addition, you’re earning Medicare protection for yourself and your family in the event you, or they, ever need dialysis treatment or a kidney transplant. You’re also earning Medicare protection that will be available when you reach age 65.

If you become disabled, you may be able to get disability benefits provided you have worked long enough under Social Security. You will be considered disabled if you cannot do work you did before and we decide that you cannot adjust to other work because of your medical condition(s). Your disability also must last or be expected to last for at least a year or to result in death. Your disability payments would start with the sixth full month of your disability—there’s a five-month waiting period—and would continue as long as you are disabled. If you receive disability payments for 24 consecutive months, you also will have Medicare protection.

If you become disabled, your unmarried children can get benefits, too. Monthly checks are payable to your biological or legally adopted children, or dependent stepchildren or grandchildren who—

- are under age 18;
- become disabled before age 22 and remain disabled; or
- are age 18 to 19 and attending elementary or secondary school full time.

If you are married and your husband is age 62 or older, he may qualify for payments if you become disabled. He may

qualify at any age if he is caring for your child who is under age 16 or disabled and entitled to benefits.

When you die, both your widower and your dependent children may receive monthly survivors benefits. A one-time payment of \$255 also may be payable to your widower or dependent children.

If there are no dependent children, your widower must be either age 60 or older or between the ages of 50 and 60 and disabled to qualify for benefits on your work record. If you have dependent parents age 62 or older, they may be eligible for payments when you die.

Part 2—Some Special Employment Situations

If you and your husband own and operate a business together and you expect to share in the profits and losses, you may be entitled to receive Social Security credits as a partner. This may be true even if you and your husband have no formal partnership agreement. To receive credit for your share of the business income, you must file a separate self-employment return (Schedule SE), even though you and your husband file a joint income tax return. If you don't file a separate Schedule SE, all the earnings from the business will be reported under your husband's Social Security number. In that case, your Social Security record will not show your earnings, and you will not receive Social Security credits for them.

If you are a household worker, your wages are covered under Social Security if you earn \$1,400 or more (including cash for transportation expenses) unless you were under age 18 during any part of the year and household work is not your principal job.

Household workers include babysitters, maids, cooks, laundry workers, butlers, gardeners, chauffeurs, people who

do housecleaning or repair work or anyone employed in or around someone else's home.

You should show your employer your Social Security card and ask him or her to withhold Social Security taxes from your wages, pay an equal amount and send the combined taxes to the Internal Revenue Service with a report of the wages paid. If the wages aren't reported, you won't earn Social Security credit for your work. If you don't have enough Social Security credits, you and your family won't be able to get monthly benefits on your wage record when you retire, or if you become disabled or die. It's important that your earnings are reported even if you already have enough Social Security credits to entitle you to benefits. The amount of your benefit is based on your covered earnings over a period of years. If several years of earnings are omitted, your benefit may be lower than it would be if all your earnings are reported.

If you have served in the military on active duty or on inactive duty for training since 1957, you have paid into Social Security. Inactive duty service in the Armed Forces Reserves and National Guard weekend drills has been covered by Social Security since 1988. If you served in the military before 1957, you did not pay into Social Security directly, but your records may be credited with special earnings for Social Security purposes that count toward any benefits you may be entitled to receive.

When you apply for Social Security, the credits you receive for military service are added to your civilian work credits. The number of credits you have determines whether you qualify for Social Security.

You may be eligible for both Social Security benefits and military retirement. Generally, there is no offset of Social Security benefits because of your military retirement. You will get your full Social Security benefit based on your earnings. Your Social Security benefit may be reduced, however,

if you also receive a pension from a job in which you did not pay Social Security taxes.

Social Security survivors benefits may affect benefits payable under the optional Department of Defense Survivors Benefit Plan. You should check with the Department of Defense or your military retirement advisor for more information.

Part 3—When You Retire

You may be able to get Social Security benefits as early as age 62, but your benefit will be permanently reduced to take account of the longer time that you will receive benefits. If you wait until full retirement age to retire, you'll be eligible for full retirement benefits. (Starting in 2003, the age at which full benefits are payable increases gradually until it reaches age 66 in 2009 and age 67 in 2027. See chart, Page 9.)

If you're married and also eligible for a reduced spouse's benefit at the time you're eligible for retirement benefits, you must file for both benefits. The same rule applies to your husband. People who are eligible for benefits on more than one work record generally receive the larger benefit amount. (The same rule applies to children who are eligible for benefits on both parents' records.)

If you've had high earnings, it's likely that your own benefits will be higher than a spouse's benefit. On the other hand, if you stopped working for several years or had low earnings, the spouse's benefit may be higher. At full retirement age, a wife receives 50 percent of what her husband is entitled to at full retirement age. When you apply for retirement benefits, a Social Security representative can tell you whether you will get a higher benefit on your own record or on your husband's.

If you earned your own Social Security credits, you have certain options at retirement. For example, suppose your husband continues to work past full retirement age and doesn't collect Social Security benefits. You can retire and get benefits based on your own record. Then when he retires, you can receive benefits on his record if they would be higher.

Or, you can take reduced benefits on your wage record before full retirement age. If you do, your benefit will always be reduced—even if you take reduced benefits on your own record and then take wife's benefits when your husband retires. The same benefit rules and options apply to a husband who's eligible for retirement benefits on both his own and his wife's work record.

Your husband may qualify for benefits on your work record at any age if he is caring for your child who is under age 16 or disabled and entitled to benefits. When you retire, your children can qualify for benefits on your record if they meet the same conditions as if you were disabled (see Page 4).

It's easy to learn whether you're eligible to receive Social Security and the amount of monthly benefits you may get. Just call Social Security's toll-free number, **1-800-772-1213** (anytime), to ask for a form SSA-7004 (*Request for a Social Security Statement*). You can expect to receive your *Statement* within four to six weeks after Social Security receives your completed request. You also can request the form by contacting this Internet address: www.socialsecurity.gov. You may want to call the toll-free number during business hours (7 a.m. to 7 p.m.) or visit your local Social Security office to discuss your benefit eligibility on your record or your spouse's record.

Age To Receive Full Social Security Benefits

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

You'll have Medicare coverage in addition to Social Security benefits. If you're eligible for benefits—either on your own record or on your husband's record—you will have Medicare hospital insurance (Part A) protection automatically at age 65. If you're not eligible for benefits and you don't have enough credits, you can pay a monthly premium to buy hospital insurance coverage and Medicare medical insurance (Part B).

Part 4—If You've Never Been Employed

You may be eligible for spouse's benefits if you are married. If you make your home and family your career, you and your family have Social Security protection through your husband's work. You can receive benefits when he retires, becomes disabled or dies.

You can receive benefits if you are caring for a child who is under age 16 or disabled and entitled to benefits. If you don't have a child in your care, you must be age 62 or older to get benefits when your husband becomes disabled or retires.

If you choose to begin receiving retirement benefits before full retirement age, your benefit amount will be permanently reduced. If you wait until you're at full retirement age, you'll get the full wife's benefits, which is 50 percent of the amount your husband is entitled to at full retirement age. (The age at which full benefits are payable will increase in the future. See chart, Page 9.)

You and your husband will have Medicare hospital insurance at age 65 if he will be eligible for monthly benefits, and you both can sign up for medical insurance. You will have Medicare at age 65 even if your husband is younger than you and still working, provided he is at least age 62 and will be eligible for benefits when he retires. You can file an application for hospital insurance a few months before you reach age 65.

(While your husband is working, he earns credits toward Medicare protection for your family in the event any of you ever need dialysis treatment or a kidney transplant for permanent kidney failure. Also, if he becomes disabled and is entitled to benefits for 24 months, he would have Medicare protection.)

Part 5—When You Have Income From A Government Pension

If you're getting both Social Security benefits and a government pension, your Social Security benefits may be reduced. Two provisions of the law affect the amount of benefits paid to someone who also receives a pension for work that was not covered by Social Security.

One provision, called **government pension offset**, applies only if you receive a pension as a retired government worker for work not covered by Social Security and you also are eligible for Social Security benefits as a spouse or widow. The offset may reduce your spouse's or widow's benefit by two-thirds of the amount of your government pension. For example, if you get a monthly civil service pension of \$600, two-thirds of it—\$400—must be used to offset your Social Security spouse's or widow's benefits. So, if you're eligible for a \$500 widow's benefit, you'll receive \$100 per month from Social Security (\$500 less \$400 = \$100).

Why a pension offset? Social Security spouse's benefits are intended for a nonworking, dependent spouse. They are not intended for a spouse who has a substantial pension based on her/his own work that is not covered by Social Security.

There are exceptions to the present rule. To learn about those exceptions and other information on the pension offset, call or visit Social Security to ask for the factsheet, *Government Pension Offset* (Publication No. 05-10007).

The other provision, called **windfall elimination**, applies if you receive a pension for work not covered by Social Security, and you also have enough Social Security work credits to get a retired-worker or disability benefit. In this case, a special formula is used to figure your Social Security benefit.

Benefits under the special formula are lower than under the regular formula. Here's why: Before 1983, benefits for employees who had some work in jobs not covered by Social Security were computed as if they were long-term, low-wage workers. Because the regular formula gives lower-paid workers a higher percentage return than higher-paid people, dually entitled beneficiaries received the advantage of the higher Social Security benefits in addition to their other pension. The modified formula eliminates this "windfall."

For more information about the windfall elimination provision, contact Social Security to ask for the factsheet, *The Windfall Elimination Provision* (Publication No. 05-10045).

Part 6—When Your Marital Status Changes

If your husband dies, you can receive widow's benefits if you are age 60 or older. If you're disabled, you can get widow's benefits as early as age 50.

The amount of your monthly payment will depend on your age when you start getting benefits. It also will depend on the amount your deceased husband would have been entitled to, or was receiving, when he died.

Widow's benefits range from 71½ percent of the deceased husband's benefit amount if they begin at age 60 and to 100 percent if they begin at full retirement age. So, if you start receiving benefits at full retirement age, you'll get 100 percent of the amount your husband would be receiving if he were still alive. (Starting in 2005, the age at which the 100 percent widow's benefit is payable will be increased gradually until it reaches age 66 in 2011 and age 67 in 2029.)

If you are a disabled widow between the ages of 50 and 59, your monthly benefit would be 71½ percent of your deceased husband's benefit amount.

The following are some points to remember:

- If you are entitled to retirement benefits on your own work record, you can take reduced retirement payments at age 62 and then receive the unreduced widow's benefit at full retirement age.

- If you are eligible for benefits on your own work record, you may want to take reduced widow's benefits until you reach full retirement age and file a claim for retirement benefits on your own record.
- If you delay your retirement beyond your full retirement age, your future benefits will increase each year by a certain percentage. For example, if you were born in 1939, your benefit will increase seven percent each year you delay retirement between ages 65 and 4 months and 70.

A Social Security representative can tell you which choice would be to your advantage.

As a widow, you also may be eligible for Medicare. You will be eligible for Medicare at age 65 if your husband would have been entitled to monthly benefits or had worked long enough under Social Security before his death. You should apply for Medicare about three months before you reach age 65.

If you remarry before reaching age 60, you cannot receive widow's benefits as long as that marriage remains in effect.

If you remarry after you reach age 60, you will continue to receive benefits on your deceased husband's Social Security record. However, if your current husband is a Social Security beneficiary, you may want to apply for a wife's benefit on his record if it would be larger than your widow's benefit. You cannot get both.

If you are a widow with children, you may be eligible for a widow's benefit at any age when you are caring for a child who is under age 16 or disabled and entitled to benefits. Unmarried children may receive survivors benefits on your husband's record until they are age 18, or until age 19 if they are attending elementary or secondary school full time.

Your benefits will stop when you no longer have a child under age 16 or disabled in your care. Usually, your benefits

also will stop if you remarry, but there are some exceptions to this rule (see previous page). Benefits to your children will continue as long as they remain eligible for payments, even if you remarry.

If you are age 50 or older and getting Social Security benefits because you have young children in your care, you are eligible for Medicare if you become disabled. Even though you haven't applied for benefits based on the disability (because you are already receiving benefits as a mother), you may be eligible for Medicare if you have been disabled for 24 months or longer.

If You Are Divorced

You can receive benefits on your ex-husband's Social Security record if he is receiving Social Security benefits (or is deceased) and

- your marriage lasted 10 years or longer;
- you are presently unmarried;
- you are age 62 or older (**if he is deceased**, you can collect benefits at age 60 or age 50 if you become disabled); and
- you are not entitled to an increased benefit on your own record which exceeds one-half of your ex-husband's unreduced benefits.

If your ex-husband has not applied for benefits, but can qualify for them and is age 62 or older, you can receive benefits on his record if you have been divorced from him for at least two years and meet the requirements listed above.

If your ex-husband is deceased, you can receive benefits on his record even though you were not married to him for 10 years —

- if you are caring for his child who also is your natural or legally adopted child and is under age 16 or disabled;

- you are unmarried; and
- you are not entitled to an equal or higher amount on your own record.

Your benefits will continue until the child reaches age 16 or the child's disability ceases.

The amount of benefits you receive as a divorced spouse does not affect the amount of benefits another spouse receives on your ex-husband's record.

Many women get a higher benefit based on their ex-husband's work record than they get on their own record, especially if he is deceased. If you've never asked Social Security about receiving benefits on your ex-husband's record, you should do so. When you apply, you'll need to give his Social Security number. If you don't know his number, you'll need to provide his date and place of birth and his parents' names.

Note: The same conditions apply to a divorced husband whose eligibility for benefits is based on his ex-wife's Social Security record.

Part 7—You Also Need To Know

Make sure that your Social Security record shows your correct name. This is especially important if you are employed because your employer reports your earnings under the name you supply.

Whenever you change the name you use in employment—whether because of marriage, divorce or other reasons—be sure to report the change to Social Security. Otherwise, your earnings may not be recorded properly and you may not receive all the Social Security credit due you for your work.

Even if you don't work, you should report any name change so that your record will show the correct name when you apply for benefits.

To report a name change, fill out an *Application For A Social Security Number Card* (Form SS-5). You will have to show proof of identity under both your old name and your new name. If you were born outside the United States, you also may need to show evidence of U.S. citizenship or lawful alien status. You can get the form from any Social Security office or by calling Social Security's toll-free number, **1-800-772-1213**, anytime.

If you hire a household worker, you're responsible for seeing that wages you pay him or her are reported properly. You must deduct Social Security taxes from the wages if you pay the person \$1,400 or more during the year. (The amount is indexed for inflation and could rise in future years.) You must pay an equal amount of tax because you are the employer and send the combined taxes to the Internal Revenue Service. You can report the earnings and pay the taxes when you file your federal income tax return.

For more information about household employees, ask for a copy of the factsheet, *Household Workers* (Publication No. 05-10021), at any Social Security office or call our toll-free number. The factsheet also is on the Internet at www.socialsecurity.gov.

If you are 65 or older, or blind or disabled and your income and the value of the things you own are below certain limits, you may be eligible to receive monthly payments under the Supplemental Security Income (SSI) program. Generally, to receive SSI, you must be living in the U.S. or the Northern Mariana Islands and be a U.S. citizen. Certain noncitizens also may be eligible. To learn more about SSI, ask for a copy of *Supplemental Security Income* (Publication No. 05-11000) at any Social Security office, call our toll-free number or view the factsheet at www.socialsecurity.gov.

Part 8—When You Need More Information About Social Security

Visit our website

Our website, ***www.socialsecurity.gov***, is a valuable resource for information about all of Social Security's programs. At our website, you also can:

- Apply for benefits; and
- Get forms to request important documents, such as a *Social Security Statement*, a replacement Social Security or Medicare card, or a letter to confirm your benefit amount.

For more information

In addition to using our website, you also can call toll-free at **1-800-772-1213**. We can answer specific questions from 7 a.m. until 7 p.m. on business days and provide information by automated phone service 24 hours a day. Our lines are busiest early in the week and early in the month so, if your business can wait, it's best to call at other times. If you are deaf or hard of hearing, you may call our TTY number, 1-800-325-0778, between 7 a.m. and 7 p.m. on business days.

We treat all calls confidentially. We also want to make sure you receive accurate and courteous service. That is why we have a second Social Security representative monitor some incoming and outgoing telephone calls.

Visit one of our offices

To get the address of your local Social Security office, visit ***www.socialsecurity.gov*** on the Internet or call **1-800-772-1213**.

Part 9—Your Personal Information Is Safe With Social Security

Social Security keeps personal information on millions of people. That information—such as your Social Security number, earnings record, age and address—is personal and confidential. Generally, we will discuss this information only with you. When you call, we'll ask you several questions to help us verify your personal identity. We need your permission if you want someone else to help with your Social Security business.

If you ask a friend or family member to call Social Security, you need to be with them when they call so we will know that you want them to help. The Social Security representative will ask your permission to discuss your Social Security business with that person.

If you send a friend or family member to our local office to conduct your Social Security business, send your written consent with them. Only with your written permission can Social Security discuss your personal information with them and provide the answers to your questions.

In the case of a minor child, the natural parent or legal guardian can act on the child's behalf in taking care of the child's Social Security business.

We urge you to be careful with your Social Security number and to protect its confidentiality whenever possible. Although we can't prevent others from asking for your Social Security number, you should know that your Social Security records are kept private.

There are times when the law requires Social Security to give information to other government agencies to conduct other government health or welfare programs—such as Temporary Assistance to Needy Families, Medicaid and food stamps. Programs receiving information from Social Security are prohibited from sharing that information.

NOTES

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