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# Women's Role in Social Security

W. Allan Starner

Frances Perkins, the first American woman ever appointed to a Federal post, recently wrote telling how she was instrumental in interesting and persuading key Congressmen to push for enactment of the first Social Security Act in 1935. Frances Perkins served under President Franklin D. Roosevelt as Secretary of Labor. She certainly convinced some of the more influential Congressional leaders to lend their influence to get this unique bill passed.

Generally speaking, women have greater protection under social security than men. This is true because many women are dependent upon their husbands for support.

The first Social Security Act set up an old-age benefit system to provide a retirement annuity for 65-year old workers. After the first three years of operation, it was seen that this law was inadequate because it provided only for one type of monthly old-age benefit—only to the retired worker himself. These retired men usually had wives who were dependent upon them for support, and sometimes had minor children, too.

Too, many breadwinners never lived to reach 65 years of age. Instead, they died leaving children, parents, or widows who had been dependent upon them for support. Congress amended the Social Security law in 1939 to provide protection to these survivors. The social security agency then became known as the Old-Age and Survivors Insurance Bureau.

Most workers in commerce and industry had this protection for themselves and their families. The program was financed by both the worker and employer making equal contributions, commonly known as social security tax, or Federal Insurance Contributions Act taxes. Social security was, in effect, a kind of compulsory life insurance system operated by the Federal Government.

All during the 1940's, very few changes were made in the Social Security law. Congress was concerned mainly in winning World War II and afterward in problems that resulted as an aftermath. All of this time many suggestions for extending social security coverage and increasing the benefits were piling up, awaiting the action of Congress.

Finally, in 1950, Congress did enact some far-reaching amendments. These took effect the first of the next year—1951. One amendment extended coverage to most non-professional, self-employed persons and farmer laborers. Employees of State and local governments, as well as non-profit groups, were brought under the protection of Social Secur-

ity on an optional basis. Some household workers—domestics, such as maids, cleaning women and the like, were brought under the law effective in 1951. The program now in effect provides that all householders paying domestic employees \$50.00 or more in a calendar quarter, must file social security household returns and report these wages of \$50.00 or more in any quarter. The maximum yearly earnings taxable under Social Security was gradually raised from \$3,000.00 to its present amount of \$4800.00.

Previously, benefits were withheld from beneficiaries who earned as little as \$15.00 a month because those earning \$15.00 monthly were considered to be a factor in the labor market, and hence, were not retired. After 1950, beneficiaries earning as much as \$50.00 monthly were permitted to retain all of their social security checks. This has now been increased to permit persons earning as much as \$1200.00 annually to receive all their monthly checks. Those beneficiaries over 72 years of age may have unlimited earned income without forfeiting any social security benefits.

The 1950 amendments were so far-reaching that it was considered that practically a new law had been enacted and everyone got a "new start" date. This meant that the lower earnings before 1951 were not usually combined with the higher wages prevailing after 1950. This change resulted in higher wage averages for most workers. Too, the length of work time required before workers could qualify was cut. This length of time has been reduced twice since then.

Since 1950, Congress has heeded the petitions of certain groups of professional self-employed—to name a few: architects, funeral directors, engineers, and, even full-time public accountants and certified public accountants—and brought them under Social Security coverage in 1955. In 1956, self-employed lawyers, chiropractors, dentists and optometrists, were also added to those covered. Thus, self-employed persons earning \$400.00 or more per year get earnings credits by filing self-employment schedules with their income tax returns each year.

1956 was the point at which the five-year dropout in determining a worker's average monthly wage came into being. The meaning of the term "five-year dropout" may require further explanation. The benefit amount for most covered female workers retiring at age 62 is computed by averaging social security taxable earnings beginning with January 1,

1951, and ending with the close of the year age 61 is attained. To compute this average, five of the poorest years' earnings, one year here and one year there—(they need not be for a continuous five-year period) are dropped out. The remaining years' earnings after 1951 through age 61 will be added together. That total wage is then divided by the number of years involved, minus five years. The result obtained is a mean over-all average lifetime earning upon which the benefit is based. This is what is meant by the five-year dropout.

Many retiring workers have the impression that only the five highest years of earnings are used and that all other yearly earnings are dropped from consideration. This is false. A woman reaching 62 in the year 1963 would find that there are 12 years, starting with 1951 and ending with the end of the year before age 62 is reached, which, of course, would be 1962. Those 12 years after subtracting five years, would result in seven years. The highest seven years of earnings after 1950 are divided by seven. This gives the mean over-all average wage to which our benefit amounts are geared.

Women get somewhat favored treatment because, in averaging a man's lifetime earnings, all years up to the year age 65 is attained are counted. This often results in somewhat lower benefits for the man retiring at 62, compared with women's retired benefits.

Monthly benefit payments range between \$32.00 and \$127.00 for the retired person. Family monthly benefits can be as much as \$254.00.

A few years ago, Congress added disability protection for workers. Persons who have to leave the labor force due to long-term serious mental and physical disabilities usually qualify for these payments. Besides being seriously disabled, a person must have worked under social security five out of the last 10 years before he became disabled. In the event the disabled person qualifies for the social security disability payments, his children under 18 can also expect payments. Payments are also provided for the disabled worker's wife of any age, providing she has entitled children in her care. A wife 62 or older will get wife's payments, too.

Family members can expect to receive certain monthly benefits when the insured worker retires. The children under 18 and the retired worker's wife caring for these children will usually qualify. Whenever the wife is 62 or over, she can receive payments. There is also a provision in the law to provide monthly payments for an unmarried, adult child with a long-time severely disabling condition. To qualify, the child's disability would have to be continuous ever since the child reached age 18.

Occasionally payment is made to a depend-

ent husband over 62 years of age when the woman worker retires.

In death cases, that is, where the insured worker dies, widows over 62, children under 18, as well as widows under 62 caring for the worker's child under 18, can receive survivors' monthly social security benefits. Too, if dependent parents over retirement age, or adult disabled children survive, monthly social security benefits can often be provided for them. Usually, a lump-sum death payment ranging from \$120.00 to \$255.00 is paid to the spouse or the person liable for burial expenses.

It is well to bear in mind that there are four important times for action; that is to say, there are four times when prompt contact with the local social security office is suggested, namely:

1. When a worker past 62 retires, or starts to receive lower earnings
2. When a worker reaches 72
3. Whenever a worker becomes seriously disabled
4. Whenever a worker dies

Oftentimes, failure to heed this simple advice will cause loss of benefits to the family.

There are more than 600 district offices throughout the country, each ready to help the public on matters pertaining to social security. All district offices have free social security booklets available for distribution upon request.

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Women are by nature endowed with the most important of all adaptive traits—the capacity to love—and this it is their principal function to teach men. There can be no more important function. It could be wished that both men and women understood this.

Ashley Montagu

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## SUCCESS

Success is speaking words of praise,  
In cheering other people's ways,  
In doing just the best you can,  
With every task and every plan,  
It's silence when your neighbor's curt,  
It's deafness when the scandal flows,  
And sympathy with others' woes,  
It's loyalty when duty calls,  
It's courage when disaster falls,  
It's patience when the hours are long,  
It's found in laughter and in song,  
It's in the silent time of prayer,  
In happiness and in despair,  
In all of life and nothing less,  
We find the thing we call success.

Author unknown