

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is a darker shade of blue. The hourglass is centered on the page.

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February 2, 2009

Congressional Research Service

Report RS22294

Social Security Survivors Benefits

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January 8, 2008

Abstract. This report describes how a person becomes covered by Survivors Insurance. It outlines the types and amounts of benefits available to survivors, eligibility for those benefits, and the benefit application process. It provides statistics on survivor beneficiaries and a legislative history of Survivors Insurance, including legislative activity in the 110th Congress. Current bills that would affect survivors benefits include H.R. 340, H.R. 341, H.R. 1159, H.R. 1160, and H.R. 1162.

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CRS Report for Congress

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Summary

Social Security is formally known as the Old-Age, Survivors, and Disability Insurance (OASDI) program. This report focuses on the Survivors Insurance component of Social Security. When workers die, their spouses, former spouses, and dependents may qualify for Social Security survivors benefits. This report describes how a person becomes covered by Survivors Insurance. It outlines the types and amounts of benefits available to survivors, eligibility for those benefits, and the benefit application process. It provides statistics on survivor beneficiaries and a legislative history of Survivors Insurance, including legislative activity in the 110th Congress. Current bills that would affect survivors benefits include H.R. 340, H.R. 341, H.R. 1159, H.R. 1160, and H.R. 1162. This report will be updated annually.

The Old-Age, Survivors, and Disability Insurance (OASDI) program, better known as Social Security, is administered by the Social Security Administration (SSA). The Survivors Insurance component of OASDI is similar to life insurance. When a person insured by Social Security dies, his or her family may qualify for survivors benefits. SSA's actuaries estimate that the net present value of Survivors Insurance for a young family with two children and average earnings is equivalent to a life insurance policy with a face value of \$433,000.¹

At the end of 2007, there were 6.5 million survivor beneficiaries, representing about one in seven OASDI beneficiaries.² Each month in 2007, about \$6 billion was paid in survivors benefits. Survivor beneficiaries are almost all either women or children: 29% of survivor beneficiaries receive child's benefits, and 99% of those receiving other types of benefits are women.

¹ Social Security Administration memorandum from Orlo R. Nichols, Actuary, "The Insurance Value of Potential Survivor and Disability Benefits for an Illustrative Worker," Nov. 28, 2006.

² Social Security Administration, "Fact Sheet on the Old-Age, Survivors, and Disability Insurance Program," Dec. 21, 2007, at [http://www.ssa.gov/OACT/FACTS/fs2007_12.pdf]. (Hereafter, *SSA Fact Sheet*.)

How Survivors Insurance Works

Survivors Insurance Coverage. Coverage for survivors benefits is based on the insurance status of the deceased. In order to become insured for survivors benefits, a person must work at a job covered by Social Security. A person can earn up to four Social Security *credits* each year, based on his or her earnings in a covered job.³ The number of credits a person needs to qualify for Survivors Insurance depends on how old the person is when he or she dies.

A person is *fully insured* for survivors benefits if he or she has at least 40 credits (or 10 years of work) at death; fewer credits are required for workers who die before age 62.⁴ Spouses, former spouses, children, and parents of fully insured workers are eligible for all types of survivors benefits as long as they meet the other requirements for those benefits.⁵ In 2007, 88% of Americans over age 20 were fully insured.⁶

A deceased worker's children and the spouse (or former spouse) caring for those children could be eligible for survivors benefits even if the deceased worker does not have enough credits to be fully insured. The deceased worker is *currently insured* if he or she earned at least six credits during the last three years before death. In 2007, 97% of covered workers age 20 to 49 were currently insured for survivors benefits.⁷

Determining Survivors Benefits. Survivors benefits are determined using the same basic formula used to calculate Social Security retirement and disability benefits. Benefits are based on the lifetime earnings of the person who died, so survivors of higher earners tend to receive higher benefits than survivors of lower earners. However, the benefit formula is progressive, so survivors benefits tend to replace a higher proportion of lower earners' wages than of higher earners' wages.

When a person applies for survivors benefits, the deceased worker's basic benefit amount is determined.⁸ Qualifying survivors will receive a percentage of this basic benefit amount, depending on their age and their relationship to the deceased worker. Survivors' benefits may be subject to reductions based on their earnings and family size. If a survivor qualifies both for benefits based on his or her own work record and benefits

³ In 2008, one credit is earned for every \$1,050 earned in covered employment, up to a maximum of four credits (or \$4,200) per year. This amount increases each year to account for wage growth.

⁴ A person is fully insured if he or she has earned at least one credit for each year between age 21 and turning 62, dying, or becoming disabled.

⁵ SSA does not pay survivors benefits based on same-sex marriages. See CRS Report RS21897, *The Effect of State-Legalized Same-Sex Marriage on Social Security Benefits and Pensions*, by Laura Haltzel and Patrick Purcell.

⁶ Social Security Administration, "Fast Facts & Figures About Social Security, 2007," Sept. 2007, at [http://www.ssa.gov/policy/docs/chartbooks/fast_facts/2007/fast_facts07.pdf].

⁷ *SSA Fact Sheet*.

⁸ This amount is called the Primary Insurance Amount (PIA). For more on calculating benefits, see CRS Report 94-27, *Social Security: Brief Facts and Statistics*, by Gary Sidor.

based on a spouse's record, the survivor receives the higher amount of the two. Survivors benefits, like all Social Security benefits, are increased each year to account for inflation.

Types of Survivors Benefits

Widow's and Widower's Benefits. Surviving spouses of fully insured people are eligible for widow's or widower's benefits. Divorced surviving spouses may also be eligible if they were married at least 10 years. Surviving spouses receive 100% of the deceased worker's basic benefit if they begin to collect survivor benefits at their full retirement age.⁹ As early as age 60, they may receive reduced widow(er)'s benefits (from 71% to 99% of the worker's basic benefit).¹⁰ As early as age 50, surviving spouses who receive Social Security disability benefits may begin to receive reduced widow(er)'s benefits. Widow(er)'s benefits are not paid to spouses or former spouses who remarry before age 60 (or age 50 if disabled).

About two-thirds of all survivor beneficiaries (4.4 million people) received widow's and widower's benefits at the end of 2007. About 200,000 of these beneficiaries were disabled. In December 2007, monthly widow(er)'s benefits averaged \$1,040 for non-disabled beneficiaries, and \$646 for disabled beneficiaries.

Mother's and Father's Benefits. If they are not eligible for widow(er)'s benefits, surviving spouses of fully or currently insured workers may be entitled to mother's or father's benefits. To qualify, the spouse must care for a child of the deceased worker who is either under the age of 16 or disabled. Divorced spouses may also qualify, regardless of the length of the marriage. Mother's and father's benefits are 75% of the worker's basic benefit, and may be collected regardless of the age of the mother or father.

About 3% of all survivor beneficiaries (roughly 200,000 people) received mother's and father's benefits at the end of 2007. In December 2007, mother's and father's benefits averaged \$782 a month.

Child's Benefits. Surviving children of fully or currently insured workers may be entitled to child's benefits. Child's benefits are paid to unmarried surviving children who are under 18, or under 19 if still in high school. They are also paid to the disabled children of insured workers, regardless of age, as long as the disability began before the age of 22. Both biological and adoptive children are eligible for survivors benefits, as well as children born out of wedlock. Dependent step-children and grandchildren may also qualify for these benefits. Child's benefits are 75% of the worker's basic benefit.

About 29% of all survivor beneficiaries (1.9 million people) received child's benefits at the end of 2007. About three-quarters of those receiving child's benefits are children under 18 and high school students under 19, and the remaining one-quarter are disabled

⁹ The full retirement age depends on the year of a worker's birth, and is gradually increasing from age 65 to 67. See the SSA website at [<http://www.ssa.gov/retirechartred.htm>].

¹⁰ In contrast, the earliest eligibility age for reduced retirement benefits is 62.

adult children of deceased workers.¹¹ In December 2007, monthly child's benefits averaged \$704.

Parent's Benefits. The surviving parents of fully insured people are eligible for parent's benefits if they are over age 62 and were receiving at least half of their support from the deceased worker.¹² Parent's benefits are 82.5% of the worker's basic benefit. Less than 0.1% of all survivor beneficiaries (about 2,000) received parent's benefits. In December 2005, parent's benefits averaged \$851 a month.¹³

Lump-Sum Death Benefits. In addition to monthly survivors benefits, a deceased worker's family may be eligible to receive a one-time death benefit of \$255.¹⁴ Only one lump-sum death benefit is payable to the family of each insured person. The lump-sum death benefit is paid to the insured person's surviving spouse, regardless of age, as long as the spouse meets certain requirements.¹⁵ If no eligible widow or widower exists, the death benefit is paid in equal shares to any children who qualify for child's benefits based on the deceased worker's record. If a worker leaves no eligible spouse or child, the lump-sum death payment will not be paid.

Reductions to Survivors Benefits. The total survivors benefits paid to an insured worker's family are capped, regardless of the number of family members who qualify for benefits. The maximum family benefit is 150% to 188% of the worker's basic benefit, depending the amount of the benefit. If the total survivors benefits payable to a worker's family exceed this maximum, each person's benefit will be reduced proportionately. Divorced surviving spouses' benefits do not count toward the maximum.

Survivors benefits may also be reduced for beneficiaries who work before full retirement age. Survivor beneficiaries younger than full retirement age are subject to an *earnings test*, wherein their benefits are reduced if their earnings exceed certain limits. The benefits of other family members would not be affected by the reduction.

¹¹ Social Security Administration, *Annual Statistical Supplement, 2006*, June 2007, at [<http://www.ssa.gov/policy/docs/statcomps/supplement/2006/>]. (Hereafter, *SSA Statistical Supplement*.)

¹² Evidence of support must be provided to SSA within two years of the death of the insured person, even if the parent has not yet reached the qualifying age of 62.

¹³ *SSA Statistical Supplement*.

¹⁴ The death benefit is equal to the smaller of three times the worker's Primary Insurance Amount (PIA), or \$255. The death benefit is effectively \$255 because the minimum PIA for a worker with 10 years of coverage (the minimum required to be fully insured) was \$341 in December 2005.

¹⁵ To qualify, a spouse must be living with the worker at the time of death or must be eligible to receive certain Social Security benefits based on the worker's record in the month of death.

Applying for Survivors Benefits

It is in the interests of family members of an insured worker to apply for survivors benefits promptly after the worker's death.¹⁶ In some cases, benefits are paid from the time of application, not the time of the worker's death.¹⁷ Survivors must apply for the lump-sum death benefit no later than two years after the death of the insured individual.

First-Time Social Security Beneficiaries. To apply for survivors benefits, people who do not currently receive Social Security benefits should call SSA to request an application by mail or to set up an appointment at any SSA field office.¹⁸ Applicants must provide documents to show how they qualify for survivor benefits. These documents must be originals or copies certified by the agency that issued them.

Applicants for survivors benefits need to provide information about the deceased worker, including his or her Social Security number and most recent tax return. They must also show proof of death, either a death certificate or documentation from a funeral home. Applicants also need to provide information about themselves, including their Social Security numbers and photo identifications. They must demonstrate their relationship to the deceased worker using a birth certificate, marriage certificate, divorce papers, or adoption papers. Applicants should also provide their bank name and bank account number if they choose to have their benefits direct deposited.

Current Social Security Beneficiaries. Current Social Security beneficiaries who experience the death of a spouse or other qualifying relative need to report the death to SSA in order to receive survivors benefits. People whose current Social Security benefits are based solely on their own earnings can contact SSA to see if their survivors benefits would be higher than their current benefits. If so, these survivors must complete an application to receive survivors benefits. People who already receive benefits based in whole or in part on the deceased worker's earnings are to have their benefits automatically adjusted by SSA. These beneficiaries need only report the death of the insured worker. An SSA representative is to contact the beneficiary if further information is needed to process survivors benefits.

Legislative History of Survivors Benefits

Establishment of Survivors Benefits. The Social Security Act of 1935 did not include any provisions for monthly survivors benefits but did include a lump-sum

¹⁶ Social Security Administration, "Social Security Survivors Benefits," August 2007, at [http://www.ssa.gov/pubs/10084.pdf].

¹⁷ Eligibility for Social Security benefits ends the month before the month of a person's death, so the last benefit received by the deceased usually must be returned. See CRS Report 93-792, *Social Security Benefits Are Not Paid for the Month of Death: A Fact Sheet*, by Dawn Nuschler.

¹⁸ SSA can be contacted by phone at 1-800-772-1213 (or 1-800-325-0778 for TTY), 7:00 a.m. to 7:00 p.m. on weekdays. Applicants who file for benefits by mail must send their original supporting documents to SSA. Documents are to be returned to the applicant.

payment upon the death of a fully insured person over the age of 65.¹⁹ The Social Security Amendments of 1939 reduced the size of the lump-sum death payment and expanded its coverage to both fully or currently insured workers, regardless of age.²⁰ Monthly survivors benefits were also established in the 1939 amendments, including those for widows, parents, and children. These changes were made to “afford more adequate protection to the family as a unit” than could be afforded by a single lump-sum payment that did not take into account family size or number of survivors.

Changes to Survivors Benefits. Few major changes to the survivors benefits have been made since the 1939 amendments.

- The 1950 Amendments extended benefits to dependent *widowers* over the age of 65 and to divorced widows with children (P.L. 81-734).
- The 1954 Amendments capped the lump-sum death benefit at \$255 (P.L. 83-761).
- The 1956 Amendments extended benefits to disabled children over the age of 18 (P.L. 84-880).
- The 1965 Amendments allowed for payments to divorced widows without children (P.L. 89-97).
- The Omnibus Budget Reconciliation Act of 1981 phased out child’s benefits for post-secondary students. It also reduced from 18 to 16 the maximum age of non-disabled children used to determine eligibility for mother’s and father’s benefits, and restricted who could receive the lump-sum death benefit (P.L. 97-35).
- The 1983 Amendments provided benefits for divorced widowers and eliminated the dependency test for all widowers (P.L. 98-21).

Legislative Activity in the 110th Congress

Survivors benefits are based on the same formula as all other OASDI benefits, so any changes to the basic benefit formula would affect survivor beneficiaries, unless they are specifically exempt. Many comprehensive Social Security reform proposals would affect survivors benefits. As of this writing, five bills before the 110th Congress would apply only to survivors benefits:

- H.R. 340 would allow remarried widowers to continue receiving benefits if the marriage on which they are based lasted at least 10 years.
- H.R. 341 would extend a lump-sum death benefit to all surviving spouses.
- H.R. 1159 would provide full benefits to all disabled widows and widowers, regardless of age or previous benefit reduction.
- H.R. 1160 would allow widow and widower beneficiaries to receive delayed retirement credits if they take up benefits after their full retirement ages.
- H.R. 1162 would repeal the seven-year restriction on eligibility for disabled widow and widower beneficiaries.

¹⁹ P.L. 74-271. For more information, see CRS Report RL30920, *Major Decisions in the House and Senate on Social Security: 1935-2000*, by Geoffrey Kollmann and Carmen Solomon-Fears.

²⁰ P.L. 76-379.