

An Overview of Social Security Benefits

What Is Social Security?

Social Security is a system of social insurance benefits available to all covered workers in the United States. Begun in 1937, the Social Security system covers a wide range of social programs. The term “Social Security,” as it is commonly used, refers to the benefits provided under one part of the system, known by its acronym, OASDI, or Old-Age, Survivors and Disability Insurance.



OASDI benefits are funded primarily by payroll taxes paid by covered employees, employers, and self-employed individuals. Both the OASDI portion of the payroll tax, as well as that part of the tax that goes to finance hospital insurance, HI (Medicare), are provided for under the Federal Insurance Contributions Act, FICA.

Insured Status

In general, to be eligible to receive benefits, a worker must first be insured (either fully insured or currently insured). An individual acquires an insured status by completing a certain number of quarters of covered employment. For example, a worker may become fully insured by completing 40 calendar quarters (10 years) in covered employment.¹ To be considered currently insured, a worker must have at least six quarters of coverage in the last 13 calendar quarters, ending with the quarter in which he or she became entitled to benefits. All benefits are available if a worker is fully insured. Some benefits are not available if the worker is only currently insured. Special requirements apply to disability benefits.

Who Receives Benefits?

In general, the following individuals are entitled to receive OASDI benefits through their relationship to a covered worker.

- **Worker’s benefit:** This is a monthly income for a retired or disabled worker.
- **Spouse’s benefit:** Refers to monthly income for the spouse or former spouse of a retired or disabled worker.
- **Widow(er)’s benefit:** Refers to monthly retirement income for the surviving spouse or former spouse of a deceased worker.
- **Child’s benefit:** This is a monthly income for the dependent child of a deceased, disabled or retired worker. To receive benefits, the child must be under age 18, over 18 and attending elementary or high school full-time, or over 18 and disabled before 22.
- **Mother’s or father’s benefit:** Monthly income paid to a surviving spouse who is caring for a worker’s dependent child who is under age 16 or over age 18 but disabled before age 22. If under age 62, the spouse of a retired worker receives the same benefit.

¹ For those working less than 10 years, an alternative test to determine fully-insured status might apply.