**Social Security Retirement Income Program**

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Course Name: Course Code

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Date

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**Social Security**

**History**

Everybody has been affected by the economic system in some way, whether through disease, unemployment, disabilities, or advanced age. They are unavoidable aspects of life and therefore pose a menace to everybody's monetary well-being to some extent. Let me take you to the past era. The Greeks were not exempted from life's misfortunes in earlier civilizations. Preserving olive oil, which was regarded as particularly nourishing and could be stored for a comparatively long time, was their kind of socio-economic stability. The case is not different to the United States of America; the program was established in 1935. However, an equivalent structure existed that may have been deemed a social security program before its introduction. Several people were left without economic security as a result of the civil unrest at the period. It was because there were numerous such victims, disabled escapees, widows, and orphaned kids who created a group of people who couldn't afford food since they couldn't labor. Just after civil war's casualties began to decline, it was only natural for the United States to establish social security. The state granted Americans their compensation in one lump-sum payout for the first five years of the program. Such payouts were intended to assist individuals by returning some of their invested cash throughout the program (Ghilarducci et al., 2017). The majority of those who got lump-sum payments were those who could not be able to contribute for a long time due to age and work constraints.

## Social Security Operation and Benefits

## All this period, the Social Security program has evolved as compared to its earlier set-up. Presently Social Security Retirement Income program perks make for more than 50% of all income earned by persons aged 65 and up, and three-quarters of all earnings earned by individuals in the lower quarter of wealth distribution. In August 2020, the monthly average Social Security income was just about $1,400. As a result, numerous seniors and others with impairments face financial difficulties. As per the US Census Bureau's supplemental poverty indicator, 12.8 % of individuals older than 65 had earnings beneath the poverty threshold in 2019. Achieving or shifting to maintain a social security state pension is an essential determinant in obtaining retirement income; individuals will have to set aside money to partially compensate for any benefit sanctions **.**Also, find a way to transform any expenditure or saving patterns if the government increased the normal retirement age to 70 years **(**Congressional Research Service, 2021). For instance, at age 35, a couple can save approximately $150,000 and have cumulative retirement funds of $70,000. However, they will require to keep an additional $90,000 on top of what they are now accumulating before retiring. Throughout their retirement age of 65, they could possess less discretionary money to consume every year. It is because, based chiefly on partner's age at retiring, spousal benefits could be as half of an employee's "primary insurance amount." When a couple starts collecting benefits before leaving the workforce, the spouse's payout will be decreased. The length of time a person has served and contributed to Social Security is one of the elements to examine when obtaining retirement benefits. Secondly, your earnings throughout the period you contributed to retirement benefits. Finally, when the person decides to begin collecting payments.

Obtaining the benefits can begin at the age of 62. It is not recommended since individuals could be eligible for reduced benefits before reaching retirement age. When Social Security is the main form of income, you are unlikely to be taxed on your payments. Individuals can considerably lower their taxable income from Social Security benefits with good preparation and timing. Individuals who begin receiving pension payments at age 67 will receive 108 % of the monthly amount since they postponed benefits for a year. People aged 70-years will receive 132 % of a monthly stipend since they waited four years to receive benefits. Therefore when compared to individuals who wait until later in life to retire, those who collect Social Security at the age of 62 suffer a considerable and permanent reduction in payments. If a senior is employed and in a high-income tax band, they might wish to wait until their wages are reduced or till they hit the age of 70 before claiming benefits. Further family members could be entitled to payments once the people begin receiving disability and Social Security retirement benefits. In essence, Social Security payments focus on providing eligible seniors and disabled people, their respective spouses, offspring, and successors, with a ration of their pre-retirement income (Heer et al., 2020). To be authorized for payments, somebody should pay into the Social Security system throughout their earning lifetime and have accumulated 40 credits. In general, Social Security Retirement Income Program lays the groundwork for a base of income from which American workers could establish a retirement program. Also, it offers essential social insurance coverage for disabled workers and households when primary -providers die.

**References**

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