

Social Security

POP QUIZ 1

Test Your Smarts

1. How many people currently receive Social Security benefits?

- A. 14 million
- B. 55 million
- C. 121 million

2. What is "full (normal) retirement age"—the age you can receive benefits with no penalty?

- A. 66
- B. 67
- C. 68

3. What's generally the earliest age you can get retirement benefits?

- A. 62
- B. 64
- C. 66

4. What's the basis for calculating benefits?

- A. Your total assets
- B. Your final annual pay
- C. Your top 35 years of pay

5. In most cases, how long do you need to work to earn retirement benefits?

- A. 5 years
- B. 10 years
- C. 35 years

6. Members of Congress pay into Social Security.

- A. True
- B. False

Answers: 1. B. 2. A or B. It's 66 for people born 1943-54. It rises gradually, reaching 67 for people born in 1960 or later.

3. A. But the amount is less than it would be at full retirement age. **4. C.** **5. B. 6. A.** Congress and its staffs joined the Social Security system in 1984.

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POP QUIZ 2

1. What's the average monthly retirement benefit?

- A. \$1,182.40
- B. \$2,310.74
- C. \$625

2. What percentage of beneficiaries are retired workers?

- A. 94 percent
- B. 82 percent
- C. 64 percent

3. What percentage of older people relied on retirement benefits in 2009 for at least 90 percent of their income?

- A. 16 percent
- B. 22 percent
- C. 34 percent

4. What funds Social Security?

- A. Payroll taxes
- B. Foreign loans
- C. Income taxes

5. To collect benefits on your ex's work record, how long did the two of you have to be married?

- A. 6 months
- B. 10 years
- C. 20 years

6. Social Security funds Medicare.

- A. True.
- B. False

Answers: 1. A. 2. C. 3. B. 4. A. As a "pay-go" system, Social Security is funded for today's retirees by workers' taxes, just as retirees funded the previous generation when they were working. **5. B. 6. B.** Medicare is funded by premiums paid by users, a Medicare payroll tax and general federal funds.

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POP QUIZ 3

1. The payroll (FICA) tax applies to what amount of earned income?

- A. Wages up to \$106,800
- B. Wages up to \$250,000
- C. Total earnings

2. When was Social Security started?

- A. 1864
- B. 1929
- C. 1935

3. Who was president at the time?

- A. Abraham Lincoln
- B. J. Edgar Hoover
- C. Franklin D. Roosevelt

4. Can my ex-wife and my current wife both collect benefits based on my record?

- A. Yes, if certain qualifications are met.
- B. No, only one of them can collect.

5. Can children receive survivor benefits?

- A. Yes, if certain qualifications are met.
- B. No

6. Social Security has enough money to pay 100 percent of benefits until what year?

- A. 2014
- B. 2036
- C. 2050

7. What percentage of beneficiaries are disabled workers?

- A. 8 percent
- B. 15 percent
- C. 30 percent

Answers: 1. A. 2. C.

3. C. 4. A. 5. A. 6. B. After that year, payroll taxes will provide enough to pay 77 percent of benefits. **7. B.**

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POP QUIZ 4

1. If I keep working while collecting benefits, is my income subject to the payroll tax?

- A. Yes
- B. No

2. In 2010 what percentage of adults receiving Social Security benefits were women?

- A. 47
- B. 56
- C. 38

3. Can you collect two full benefits at the same time—a spousal benefit and one based on your own work record?

- A. Yes
- B. No
- C. Maybe

4. Social Security's "Death Master File" sometimes includes people who are alive.

- A. True
- B. False

Answers: 1. A. 2. B.

3. B. 4. A. Each year, some 14,000 people are listed by mistake and must report, in person, to correct the list.

HOW MANY OF THE 23 QUESTIONS DID YOU GET RIGHT?

0-5: Go straight to the principal's office.

6-14: That's more like it.

15-19: You rock.

20-23: Move over, Social Security commissioner!

For a complete guide to Social Security, go to aarp.org/SocialSecurity. For answers to common Social Security questions, go to aarp.org/ssmailbox.