

Good social security research paper example

[Law](#), [Security](#)



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Background

Human kind has been facing uncertainties throughout ages related to illness, disability, unemployment, old age and death. These facets of life have been referred to as a threat to the economic security of an individual. The ancient Greeks considered the olive oil to be a form of their economic security while in the medieval Europe, the economic security was considered to be the responsibility of the feudal lords. With the developments in economy and the rise in social complexities, formal organizations were developed in Europe; these regulated production and employment while providing certain benefits to the members in times of need. The organizations and trade unions began practicing life insurance to the members.

When state assumed responsibility, the first “ Poor Laws” were formed with the aim of helping the poor. The economic security seemed to have more influence on the poor and therefore, the first systematic code for the welfare of the citizens was provided, the English Poor Law of 1601. “ Social security” was initially used to describe any program designed to help the poor people with their limited financial resources.

When the colonists arrived in America, the “ Poor Laws” were also brought along. Local taxation was featured to help support the destitute and a fine discrimination between the worthy and unworthy poor was made. State financing was initiated and almshouses and poorhouses were created to provide poverty relief. In order to discourage dependency, relief was made highly unpleasant; those receiving relief did not have any right to vote, to move, and to own personal property. But operating the poorhouses was expensive and so, some outdoor relief emerged.

Emergence of Social Security in USA

It wasn't until 1935 that the Social Security arrived in America. After the Civil War, there were hundreds of thousands of widows, orphans, and disabled veterans. Civil War veteran pensions was the first social security program in the USA. The disabled veterans or the widows of the soldiers were given pension payments. This program then included the disabled Union veterans who had not even been injured in the war; around one third of the government expenditure was used in this program.

General benefits

A disability insurance program was initiated in 1954; benefits were provided to the disabled workers between ages 50-64; and also to the disabled adult children. An amendment was made in 1960 and payment of benefits was permitted to all the disabled workers regardless of their age; the benefits are also provided to the dependents of the disabled.

Another benefit provided with social security is that of Medicare facility. This change in 1965 introduced a social insurance program where health

coverage was extended to all Americans aged 65 and above. All the citizens or the permanent residents of America above age 65 are eligible for free Medicare insurance. Supplemental Security Income is provided to three categories of people: needy aged, blind, and needy disabled individuals. The SSI also includes now the aged widows and widowers. As a spouse, under the Social Security, if one is at least 62 years of age and their spouse or ex-spouse is eligible for disability benefits or retirement benefits, then the spouse would also receive these benefits. And if an individual reaches the age of 65, even if he/she has no work experience, they qualify for the Medicare benefits of their spouse.

For the government employees, a separate system was set known as the Civil Service Retirement System until 1984. But then, the Federal Employees Retirement System was set up. A formula is applied to the individual's lifetime earnings record to identify the amount of monthly benefit. If a worker has 30 or above years of service, 90% of the average monthly earnings goes into the retirement benefits. But if the service is less than 30 years, the multiplier is reduced.

Under the survivors plan, if a parent dies, an unmarried child under age 18 becomes eligible to receive benefits of Social Security. Further, if a child becomes disabled before age 22 and remain disabled, benefits are provided. Further, there are certain circumstances under which the stepchildren, grandchildren, and even adopted children become eligible to receive benefits. The prisoners are not eligible to receive any benefits at all.

Major issues

There has been a considerable hue and cry regarding the challenges facing the Social Security System. Rumors are that the fund could be depleted by 2037 as the program is no longer self-sustaining. Due to the economic downturn of 2009, the Social Security program paid a lot more in 2010 than it was gaining. Unemployment had risen to 10% and so the number of applicants for benefits was increased.

The plan for solvency of Social Security was over 75 years but due to the economic and demographic pressures, until 2033, it may remain solvent. After that it can only pay around 75% of the benefits it promises currently. Currently majority of the retirees get two-third of their income from the benefits. The biggest issue is that the system is only making empty promises; it was designed for world that existed in 1935: low benefits, short life-spans, more workers per retiree, and few retirees. The system is heading towards bankruptcy. By 2042, when the young workers now would retire, the system would be completely bankrupt.

Another issue is that the system is being deeply pressurized by the massive wave of 80 million baby boomers who are entering the age of retirement. These people have been an integral part of the funding for the system and as they retire, only the Generation X that is merely around 15 million would be around to provide fund for the baby boomers. The ratio of the aged dependency has been risen; this means that the number of population relying on the Social Security benefits has risen as compared to the number of people who are working and have the potential to support the funds by paying taxes. The decline in the fertility rate in the U. S. is also one of the

reasons that this challenge is nearing for the system.

The baby boomers created a surplus in system and that was loaned to the government. The federal government is in trillions of dollars of debt; and the economist are unsure whether it would actually become capable of paying back the debt. If in any case, the government defaulted on the loans, the insolvency of the system would occur sooner.