

Sample research paper on social security development in united states of america

[Business](#), [Management](#)



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History of Social Security in America

The earliest social security groupings in the United States were fraternal organizations. They include the Freemasons who arrived in America in the 1730s, the Odd Fellows of 1819, Benevolent and Protective Order of Elks of 1868 and the Loyal Order of Moose of 1888. At the time of arrival of the colonialists, new customs and ideas were brought to America.

America became more complex, mobile and diverse. The local systems labelled as poor relief were stretched beyond their limit. This resulted in limited movement towards state financing and advancement of poorhouses and almshouses to deal with the problem.

Thomas Paine was one of the first people to suggest a plan for retirement security. Paine published the Agrarian Justice pamphlet in 1795. The plan suggested that any party who inherited property ought to pay an inheritance tax of 10 percent. This would develop a special fund where a stipend worth

15 pounds would be paid once to each citizen when they attained 21 years of age.

Social security did not arrive in America in practice until 1935. However, there was an initial pension program all over the country for the soldiers, after the civil war around 1776.

After Great depression broke out in 1930, there was increased poverty among the elderly. Around 1934, it was estimated that close to one half of the elderly did not have sufficient income to support themselves (Watkins, 1973, 2). As a result, there were numerous legislations passed before the social Security Act, so that nearly 30 states had a pension program for the aged by 1935.

Administration and Current Structure

The administration of Social Security gathers taxes on payroll and commits that money that has been collected to pay old age, disability insurance and survivors. This is done using trust funds. The social security administration has control over two trust funds which are Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI). Whenever there is a surplus, there will be available more funds at the administration's disposal for that year. The surplus funds are diverted towards another trust fund.

Current Structure

Mission

Social Security Administration forms the USA's primary agency of income security. In addition to the trust funds that it runs, it performs some functions relating to the benefit program for the black lung.

Office of the Commissioner

The administration provides the required executive leadership and executive direction to the Social Security Administration. The office also develops policies, direction for the program and administration. It also interprets and evaluates the performance of the program. The Office of the Commissioner maintains the department's relationship with the media.

Functions of the Office of the Commissioner

First of all, the office provides the top management leadership of the association and also carries out the supervisory roles. The office also delegates the duties among the various employees. The office of the commissioner, offers help to the commissioner and their deputy in terms of staff assistance relating to the scope of responsibilities that are to be carried out by the employees.

The office works in connection with other offices to ensure the smooth running of the social security fund. These offices include the office of the deputy commissioner who is directly below the commissioner, the immediate office of the commissioner, the chief of staff's office, executive operations office and the Senior Executive Officer's office.

Calculation of Benefits

The social security department accurately determines one's social and retirement benefits using the retirement benefits calculator. The department evaluates one's retirement benefits at a particular age by accessing the person's payment records through an interface that is secured (Booth, 1993, 4). For to qualify for the retirement benefits, they have to be permanently

insured so that the retirement estimator can be used.

The estimator uses the current earnings as a basis of computing one's retirement benefits. The current earnings are also important for determining the survivor and disability benefits in case of one's death or development of a disability today.

There is also advice on the period that one can begin to receive the retirement benefits. For an individual who has not attained the retirement age and yet they wish to receive their retirement benefits, then their benefits will be reduced. If one is under the stipulated retirement age, yet one continues to receive their retirement benefits, they are subject to a test on retirement earnings. The effects of the earnings can thus be indicated on the person's benefits.

The benefits are calculated basing on the monthly earnings that have been averagely indexed. A formula is applied to the average indexed amount to the primary index amount (PIA). The PIA forms the foundation of the benefits that accrue to the individual.

References

Booth, P. (1973). *Social security in America*. Ann Arbor: Institute of Labor and Industrial Relations, University of Michigan-Wayne State University.

Watkins, T. H. (1993). *The Great Depression: America in the 1930s*. Boston: Little, Brown.