

United States of America

Exchange rate: US dollar (US\$).

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1935 (social security).

Type of program: Social insurance system.

Coverage

Gainfully employed persons, including self-employed persons.

Exclusions: Casual agricultural, household, and election employees; some categories of self-employed persons (when annual net income is below \$400); and certain federal employees hired before January 1, 1984.

Voluntary coverage for employees of state and local governments (mandatory coverage for employees of state and local governments not covered under a retirement system, effective July 1, 1991) and clergy. Voluntary coverage applies in the United States, Puerto Rico, Northern Mariana Islands, U.S. Virgin Islands, Guam, and American Samoa, and to citizens and residents employed abroad by United States employers.

Special systems for railroad employees, certain federal employees, and many employees of state and local governments.

Source of Funds

Insured person: 6.2% (temporarily reduced to 4.2% for 2011 and 2012) of covered earnings.

The maximum annual earnings used to calculate contributions are \$110,100. (The maximum earnings used to calculate contributions are automatically adjusted to wage levels.)

Self-employed person: 12.4% of covered earnings (temporarily reduced to 10.4% for 2011 and 2012).

The maximum annual earnings used to calculate contributions are \$110,100. (The maximum earnings used to calculate contributions are automatically adjusted to wage levels.)

Employer: 6.2% of covered payroll.

The maximum annual earnings used to calculate contributions are \$110,100. (The maximum earnings used to calculate contributions are automatically adjusted to wage levels.)

Government: The total cost of means-tested supplemental income benefits.

Qualifying Conditions

Old-age pension: Age 66 (rising to age 67 by 2027) with at least 40 quarters of coverage.

Early pension: A reduced pension is paid from age 62.

Deferred pension: The pension may be deferred up to age 70.

Pensions are payable abroad to noncitizens under reciprocal agreement. However, noncitizens' dependents who were first eligible after 1984 generally must meet a residency requirement.

Old-age supplemental income benefit (means-tested): Age 65 or older with low income and limited resources. The means test is based on earned and unearned income, including benefits.

Disability pension: The insured must be assessed as incapable of substantial gainful activity as the result of a physical or mental impairment that is expected to last at least a year or result in death. The insured must have a quarter of coverage for each year since age 21 up to the year the disability began, up to 40 quarters of coverage. The insured must also have 20 quarters of coverage in the 10-year period before the disability began.

The qualifying conditions for young and blind persons are less strict.

Pensions are payable abroad to noncitizens under reciprocal agreement. However, noncitizens' dependents who were first eligible after 1984 generally must meet a residency test.

Disability supplemental income benefit (means-tested): Paid to persons with a disability and blind persons younger than age 65 with low income and limited resources. The means test is based on earned and unearned income, including benefits. Certain impairment-related work expenses are deductible from income.

Survivor pension: The deceased was a pensioner or had a quarter of coverage for each year since age 21 up to the year before the year of death, up to 40 quarters of coverage.

For orphans or a nonaged widow(er) with an eligible dependent orphan, the deceased had six quarters of coverage in the 13 quarters ending with the quarter in which the death occurred.

Eligible survivors are a widow(er) (or a surviving divorced spouse, if the marriage lasted at least 10 years), orphans younger than age 18 (aged 18 to 19 if attending elementary or secondary school full time, no limit if disabled before age 22), and dependent parents aged 62 or older and at least 50% dependent on the deceased.

Pensions are payable abroad to noncitizens under reciprocal agreement. However, noncitizens' survivors who were first eligible after 1984 generally must meet a residency test.

Old-Age Benefits

Old-age pension: The pension is based on the average of the insured's 35 highest years of earnings indexed for past wage inflation, up to age 62.

Early pension: The pension is reduced for each month of receipt before the full retirement age.

There is no minimum pension for insured persons reaching age 62 after 1981.

The maximum monthly pension for workers retiring in 2011 at the full retirement age is \$2,366.

Deferred pension: An increment is provided for each month the insured defers retirement after the full retirement age, up to age 70. The increment amount depends on the year the insured person reached age 62. In 2011, the annual increment is 8% for those aged 62.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Dependent's allowance: 50% of the insured's primary insurance amount is paid to a wife or a husband (or an unmarried divorced spouse, if the marriage lasted at least 10 years) at the full retirement age (reduced from age 62 up to the full retirement age) or to a wife or a husband at any age caring for a child younger than age 16 or disabled; to each child (or dependent grandchild) younger than age 18 or aged 18 to 19 and attending elementary or secondary school full time (no age limit if disability began before age 22).

The primary insurance amount is derived from the insured's covered lifetime earnings and is the basis for determining benefit amounts for the insured and the insured's family members.

The maximum family pension ranges from 150% to 188% of the insured's primary insurance amount.

The maximum monthly family pension for an insured person retiring in 2011 at the full retirement age is \$4,140.

Old-age supplemental income benefit (means-tested): The maximum monthly benefit is \$674 for an individual; \$1,011 for a couple.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Permanent Disability Benefits

Disability pension: The pension is based on the insured's average covered earnings (indexed for past wage inflation) from age 21 up to the onset of disability, excluding up to five years of the lowest earnings.

There is no minimum pension for insured persons disabled after 1981.

The maximum monthly pension for insured persons disabled at age 50 in 2010 is \$2,485. The maximum pension for insured persons disabled at any other age is computed based on that age.

Dependent's allowance: 50% of the insured's pension is paid to a wife or a husband (or an unmarried divorced spouse aged 62 or older, if the marriage lasted at least 10 years) at the full retirement age (reduced from age 62 up to the full retirement age) or to a wife or a husband at any age caring for a child younger than age 16 or disabled; to each child (or dependent grandchild) younger than age 18 or aged 18 to 19 and attending elementary or secondary school full time (no age limit if disabled before age 22).

The maximum family benefit ranges from 100% to 150% of the insured's primary insurance amount.

The primary insurance amount is derived from the insured's covered lifetime earnings and is the basis for determining benefit amounts for the insured and the insured's family members.

The maximum monthly family pension for an insured person who became disabled in 2010 is \$3,728.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Disability supplemental income benefit (means-tested):

The maximum monthly benefit is \$674 for an individual; \$1,011 for a couple.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Survivor Benefits

Survivor pension: The pension is 100% of the deceased's primary insurance amount at the full retirement age (reduced if at least aged 60 and up to the full retirement age); a reduced pension is paid if the deceased was disabled at age 50 to 59 or received the early old-age pension.

The pension is paid to a widow(er) (or a surviving divorced spouse, if the marriage lasted at least 10 years); 75% of the insured's primary insurance amount is paid for a widow(er) or surviving divorced spouse at any age caring for a child younger than age 16 or disabled.

The primary insurance amount is derived from the deceased's covered lifetime earnings and is the basis for determining benefit amounts for survivors.

The pension is not paid before age 50 if the survivor has a disability.

The pension ceases if the survivor remarries before age 60.

Death benefit: A lump sum of \$255 is paid to a surviving spouse or to children younger than age 18 who meet certain requirements.

Orphan's pension: 75% of the deceased's pension is paid to each child.

Dependent parent's pension: The pension is 82.5% of the deceased's pension at age 62; 150% for two eligible parents. The maximum family pension ranges from 150% to 188% of the deceased's primary insurance amount.

The primary insurance amount is derived from the deceased's covered lifetime earnings and is the basis for determining benefit amounts for survivors.

The maximum monthly family pension, if the insured died at age 40 in 2010, is \$4,380.

Administrative Organization

Social Security Administration (<http://www.socialsecurity.gov>) an independent agency within the executive branch of government, administers the program through regional program centers, district offices, and branch offices.

Treasury Department (<http://www.treasury.gov>) supervises the collection of Social Security taxes through the Internal Revenue Service and supervises the payment of benefits and the management of funds.

Supplemental Security Income (SSI) program (<http://www.ssa.gov/ssi>), administered by the Social Security Administration, provides means-tested benefits.

Sickness and Maternity

Regulatory Framework

First and current laws: 1965 (health insurance for older persons); 1972 (health insurance for the disabled); and 2003 (prescriptions drugs), implemented in 2006.

Type of program: Social insurance system. Medical benefits only.

Note: The Family and Medical Leave Act of 1993 entitles eligible employees of most public agencies or private-sector employers with 50 or more workers to take up to 12 weeks of unpaid, job-protected leave for qualified circumstances such as a serious illness, the birth or care of a newborn, or the care of a family member with a serious health condition.

Coverage

Cash sickness and maternity benefits: There is no national program. Cash benefits may be provided at the state level. Cash benefits for workers in industry and commerce are available in five states (Rhode Island, California, New Jersey, New York, and Hawaii) and Puerto Rico; agricultural workers are covered to varying degrees in three states (California, Hawaii, and New Jersey) and Puerto Rico. Contribution rates and benefits vary by jurisdiction.

Special federal system for railroad employees.

Medical benefits

Hospitalization: Persons eligible for a pension and aged 65 or older and certain others who qualify at age 65; persons

who have been receiving disabled worker benefits for more than two years; and persons with end-stage renal disease.

Other medical services: Persons eligible for a pension and aged 65 or older and certain others who qualify at age 65; persons who have been receiving disabled worker benefits for more than two years; persons with end-stage renal disease; and all other persons aged 65 or older, through voluntary coverage.

Prescription drugs: Persons entitled to basic hospitalization coverage and persons enrolled in the voluntary physician and other services plan may enroll voluntarily in a Medicare stand-alone prescription drug plan or an integrated Medicare Advantage plan that offers drug coverage.

Separate federal and state systems for the medically needy.

Source of Funds

Insured person

Cash benefits: There is no national program.

Hospitalization: 1.45% of gross earnings is paid by all workers covered for old-age, disability, and survivor benefits, plus some federal, state, and local employees.

There are no maximum earnings used to calculate contributions for hospitalization.

Other medical services: Pensioners contribute \$115.40 a month.

Prescription drugs: Pensioners pay a monthly premium that varies according to the plan they choose. Low-income individuals may be eligible for premium or cost-sharing subsidies.

Self-employed person

Cash benefits: There is no national program.

Hospitalization: 2.9% of declared earnings.

There are no maximum earnings used to calculate contributions for hospitalization.

Other medical services: Pensioners contribute \$114.40 a month.

Prescription drugs: Pensioners pay a monthly premium that varies according to the plan they choose. Low-income individuals may be eligible for premium or cost-sharing subsidies.

Employer

Cash benefits: There is no national program.

Hospitalization: 1.45% of gross payroll.

There are no maximum earnings used to calculate contributions for hospitalization.

Other medical services: None.

Prescription drugs: Not applicable.

Government

Cash benefits: There is no national program.

Hospitalization: The total cost of hospitalization benefits for certain uninsured elderly persons.

Other medical services: The balance of the cost for voluntary insurance.

Prescription drugs: The balance of the cost for voluntary insurance.

Qualifying Conditions

Cash sickness and maternity benefits: There is no national program. Cash benefits may be provided at the state level.

Medical benefits

Hospitalization: Pensioners aged 65 or older, persons with disabilities who have been entitled to disability benefits for at least two years, or persons with end-stage renal disease.

Other medical services: Meets the requirement for hospitalization benefits, election of coverage, and payment of required premiums.

Prescription drugs: Must be entitled to hospitalization benefits or other medical services.

Sickness and Maternity Benefits

Sickness benefit: There is no national program. Cash benefits may be provided at the state level.

Maternity benefit: There is no national program. Cash benefits may be provided at the state level.

Workers' Medical Benefits

Medical benefits

Hospitalization: Inpatient care is provided for stays of up to 90 days; the beneficiary is responsible for the first-day deductible of \$1,132 (amount adjusted each year) and, for the 60th to the 90th day, \$283 per day. For inpatient care longer than 90 days, coverage is available for up to 60 lifetime reserve days (may be used only once); the beneficiary is responsible for \$566 per day. Posthospital skilled nursing facility care for an additional 100 days (the patient pays \$141.50 for the 21st to the 100th day), laboratory and X-ray services for inpatients, and posthospital home health services.

Other medical services: Payment for 80% of medically necessary charges above \$162 a year for physician's services, outpatient diagnostic and physical therapy, laboratory services, appliances, and transportation.

Persons eligible for both hospitalization and other medical services under the regular Medicare program, except for those with end-stage renal disease, can alternatively elect to

participate in one of several types of Medicare Advantage plans if one is available in their jurisdiction.

Prescription drugs: The payment varies depending on the plan chosen. In general, the insured pays an annual premium, up to \$310. The plan and the insured share the cost of prescription drugs, up to a combined limit of \$2,840. The insured pays the combined total cost of prescription drugs between \$2,840 and \$4,550. If the combined total cost of prescription drugs is greater than \$4,550, the insured pays 5% of the costs and Medicare pays 95% of the costs for the insured year.

Federal and state assistance programs: Medical services are provided to medically needy persons of any age.

Dependents' Medical Benefits

Benefits are only for persons aged 65 or older who satisfy other qualifying requirements or who have end-stage renal disease.

Hospitalization: Inpatient care is provided for stays of up to 90 days; the beneficiary is responsible for the first-day deductible of \$1,132 (amount adjusted each year) and, for the 60th to the 90th day, \$283 per day. For inpatient care longer than 90 days, coverage is available for up to 60 lifetime reserve days (may be used only once); the beneficiary is responsible for \$566 per day. Posthospital skilled nursing facility care for an additional 100 days (the patient pays \$141.50 for the 21st to the 100th day), laboratory and X-ray services for inpatients, and posthospital home health services.

Other medical services: Payment for 80% of medically necessary charges above \$162 a year for physician's services, outpatient diagnostic and physical therapy, laboratory services, appliances, and transportation.

Persons eligible for both hospitalization and other medical services under the regular Medicare program, except for those with end-stage renal disease, can alternatively elect to participate in one of several types of Medicare Advantage plans if one is available in their jurisdiction.

Prescription drugs: Payment varies depending on the plan chosen. The plan and the insured share the cost of prescription drugs, up to a combined limit of \$2,840. The insured pays the combined total cost of prescription drugs between \$2,840 and \$4,550. When the combined total cost of prescription drugs is greater than \$4,550, the insured pays 5% of the costs and Medicare pays 95% of the costs for the rest of the calendar year.

Federal and state assistance programs: Medical services are provided to medically needy persons of any age.

Administrative Organization

Medical benefits: Department of Health and Human Services provides general supervision. Centers for Medicare and Medicaid Services (CMS) (<http://www.cms.hhs>)

.gov) provide the national administration of the program in cooperation with the Public Health Service, Social Security Administration, and state health departments.

Private carriers and public agencies, serving under contract as intermediary administrative agents, determine and make payments to providers of services or to patients.

Medical services are furnished by providers paid for directly by carriers, or through refunds to patients by carriers of part of the medical expenses.

Includes nonprofit Blue Cross and Blue Shield plans, commercial insurance companies, and group-practice prepayment plans.

CMS contracts with individual companies that provide prescription drugs directly to the insured.

Work Injury

Regulatory Framework

First laws: 1908 (federal employees) and 1911 (nine state laws).

Current laws: All states, Puerto Rico, District of Columbia, Guam, and U.S. Virgin Islands; federal employees, longshoremen, and harbor workers. Most laws were enacted before 1920.

Type of program: Compulsory (elective for employers in one state) insurance through a public or private carrier (according to the state) or self-insurance.

Coverage

Employees in industry and commerce generally and most public-sector employees.

Exclusions: Common exemptions from coverage are household workers, agricultural employees, small employers, casual labor, and self-employed persons.

Special federal program for miners (pneumoconiosis).

Source of Funds

Insured person: Nominal contributions in a few states.

Self-employed person: Not applicable.

Employer: The total cost in most states and most of the cost in others, met through either insurance premiums varying with the assessed degree of risk or self-insurance. (The average cost in 2009 was 1.30% of payroll.) The total cost of pneumoconiosis benefits for insured persons who entered the workforce after 1973.

Government: None; contributes as an employer. The total cost of pneumoconiosis benefits for insured persons who entered the workforce before 1974.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period, except for exposure to occupational disease.

Temporary Disability Benefits

In most states, the benefit is 66.6% of earnings. The benefit is paid after a waiting period of three to seven days (depending on the state). Benefits are paid retroactively if the disability lasts a specified period, ranging from five days to six weeks.

Dependent's supplement: About 20% of all states provide supplements for dependents, in some instances as a lump sum.

The maximum weekly benefit varies by state.

Benefit adjustment: About 80% of all states increase benefits automatically according to increases in state wages.

Permanent Disability Benefits

Permanent disability pension: In most states, the pension is 66.6% of earnings for a total disability and is payable for the duration of the disability.

Partial disability: A reduced pension is paid according to the assessed loss of earning capacity, or at the full rate for fewer weeks in the case of certain injuries.

Pneumoconiosis pension: The basic monthly pension is \$625. The maximum monthly family pension is \$1,251.

Constant-attendance supplement: Provided in some states if the insured requires the constant attendance of others to perform daily functions. The supplement is paid for life or for the duration of the disability in 80% of all states. Some states provide limited supplements for a duration of 104 to 500 weeks.

Dependent's supplement: Provided in some states, the supplement is paid for life or for the duration of the disability in 80% of all states. Some states provide limited supplements for a duration of 104 to 500 weeks.

Workers' Medical Benefits

Medical care is provided for as long as required in all states.

Survivor Benefits

Survivor pension: The pension is between 35% and 70% of the deceased's earnings for a widow(er); 60% to 80% for a widow(er) with dependent children.

Other eligible survivors (under some work injury laws) include dependent parents, brothers, and sisters.

Survivor pension (pneumoconiosis): The basic monthly pension is \$625. The family maximum monthly is \$1,251.

Other eligible survivors include dependent parents, brothers, and sisters.

Funeral grant: A lump sum is paid. The amount varies by state.

Administrative Organization

Work injury: State workers' compensation agencies administer the program in about half of all states, state Departments of Labor administer the program in about one third of all states, and courts administer the program in a few states.

Employers insure with a state fund or a private carrier.

Self-insurance by employers is also permitted under almost all state laws.

Pneumoconiosis: Department of Labor (<http://www.dol.gov/owcp>), through its Office of Workers' Compensation Program, administers the program and pays benefits.

Unemployment

Regulatory Framework

Federal law: 1935.

State laws: All states, Puerto Rico, Virgin Islands, and District of Columbia have separate laws creating their own programs. State laws were first enacted between 1932 and 1937.

Type of program: Social insurance system.

Coverage

Employees of firms in industry and commerce and employees of nonprofit organizations with four or more employees during 20 weeks in a year or that pay wages of \$1,500 or more in any calendar quarter in a year. Almost all state and local government workers, household workers, and more than 75% of farm workers are covered. Federal civilian and military employees are also covered.

Exclusions: Some agricultural employees, employees of religious organizations, casual employees, family labor, and self-employed persons.

Special federal system for railroad employees.

Source of Funds

Insured person: None, except in Alaska, New Jersey, and Pennsylvania.

Self-employed person: Not applicable.

Employer

Federal tax: 0.6% of taxable payroll. Taxable payroll is defined as the first \$7,000 earned by a worker in covered employment annually. (The full amount is 6.0%. However, there is a 5.4% credit if states meet all federal requirements.)

State programs: The standard rate is 5.4% of taxable payroll. Actual rates vary from zero to 10% or more, according to the individual employer's experience with unemployment benefit costs. The first \$7,000 to \$37,300 (varies according to the state) earned by each worker in covered employment is subject to this tax annually.

Government: Federal tax revenue is used for the federal and state administrative costs of the unemployment compensation program, federal share of benefits paid under the Federal-State Extended Unemployment Compensation Act of 1970, loans to states to pay for unemployment benefits, labor exchange services under the Wagner-Peyser Act, employment and training services for veterans and disabled veterans under Chapter 14 of Title 38 of the U.S. Code, and some labor market information program activities.

State unemployment contributions are used to pay unemployment benefits.

Qualifying Conditions

Unemployment benefits: Most states require minimum earnings in the base period equal to a specified multiple of the weekly benefit amount or high-quarter wages, or a specified total amount of wages in the base period. A few states require a specified number of weeks of employment (for example, from 16 to 20 weeks). One state requires a certain number of hours of work. To be eligible, an unemployed worker must be registered with the employment service, be capable of and available for work, and must actively seek work. An unemployed worker will generally be disqualified for voluntarily leaving a job without good cause, being discharged from employment for misconduct, or refusing an offer of suitable work. Unemployed workers may be disqualified if they are participating in a labor dispute. The length of the disqualification period varies among states and may depend on the reason for disqualification.

Unemployment Benefits

Unemployment benefit: The benefit is about 50% of the insured's earnings (usually capped at around 50% of the state's average weekly wage), according to diverse state formulas. The benefit is paid after a one-week waiting period for up to 26 weeks in most states.

Dependent's supplement: About 25% of states provide from \$1 to \$147 a week for each child and sometimes for other dependents.

Federal law provides for up to 20 additional weeks of benefits in states with high levels of unemployment.

Unemployment assistance: Assistance is available in some states to workers who are ineligible for unemployment benefits because of insufficient periods of covered employment, to unemployed persons who have exhausted benefit rights under the federal and state assistance programs, and to unemployed persons participating in training programs.

Administrative Organization

Department of Labor (<http://ows.doleta.gov/unemploy>) administers the program nationally through its Employment and Training Administration and Office of Unemployment Insurance.

State workforce agencies are responsible for the administration of individual state unemployment programs.

Family Allowances

Regulatory Framework

A federal and state system of aid (cash payments, social services, and job training) provides temporary assistance to needy families, and a system of refundable federal tax credits operates for low-income families with eligible children and for some unmarried persons.