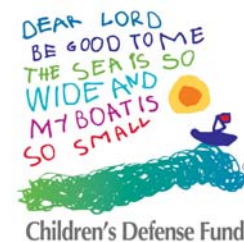


# Children's Defense Fund

## 6.5 Million Children Benefit from Social Security



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Usually considered a retirement program, Social Security offers elderly American workers indispensable financial assistance. Equally important is its protection for more than 6.5 million American children, who receive part of their family income from Social Security.<sup>1</sup> These include more than five million children who receive benefits as the dependents of deceased, retired, or disabled parents or other caregivers. In effect, Social Security pays more cash benefits to children than any other federal program.<sup>2</sup> Children benefit from Social Security *survivors benefits, retirement benefits, disability benefits, and adult children disability benefits.*

### How Does Social Security Benefit Children? Four Principal Ways:

#### *Survivors Benefits*

The loss of family wage earners can be devastating to dependent unmarried children. Social Security helps stabilize these children's financial future by offering them monthly income support until age 18, or age 19 if they have not yet graduated from high school.

- About 98 percent of children in the United States could receive these benefits if they were to lose their parents.<sup>3</sup>
- More than 1.9 million children, as of June 2011, received survivors benefits, which kept their lives from falling apart.<sup>4</sup>
- Surviving children can receive up to 75 percent of their deceased parents' Social Security benefits if the total amount of benefits a family receives does not exceed the *family maximum limit*.<sup>5</sup> In June 2011, surviving children received average monthly benefits of \$755.<sup>6</sup>
- Survivors benefits provide a main source of life insurance for most families with children. The value of survivors benefits protection for a family of a working parent, a spouse, and two children is equivalent to a \$433,000 term life insurance policy.<sup>7</sup>

#### *Retirement Benefits*

When family wage earners reach the retirement age of 65 (or age 62 at the earliest), they may lose stable income partially used to care for their dependent unmarried children. Social Security helps parents continue to meet their children's needs by offering monthly income assistance to children until age 18, or age 19 if the children have not yet graduated from high school.

- More than 500,000 children in the United States, as of June 2011, received retirement benefits, which allowed their parents to retire without fearing substantial wage loss and continue caring for them.<sup>8</sup>

- Children eligible for retirement benefits can receive up to 50 percent of their retired parents' Social Security benefits, up to the family maximum limit. In June 2011, children of retired parents received average monthly benefits of \$580.<sup>9</sup>

### ***Disability Benefits***

When family wage earners experience unexpected tragedies that cause them to incur prohibitively high medical expenses and/or lose their ability to work, their dependent unmarried children are often strongly affected. These children are not only at significant risks of dropping out of school or slipping into poverty but also facing daily responsibilities to care for their parents. Social Security helps alleviate these children's emotional and financial stresses by providing them monthly cash payment until age 18, or age 19 if they have not yet graduated from high school.

- More than 1.8 million children, as of June 2011, received disability benefits, which enabled them to care for both themselves and their parents.<sup>10</sup>
- Children eligible for disability benefits can receive up to 50 percent of their disabled parents' Social Security benefits, up to the family maximum limit. In June 2011, children of disabled parents received average monthly benefits of \$319.<sup>11</sup>

### ***Adult Children Disability Benefits***

When a dependent unmarried child of a deceased, retired, or disabled parent becomes disabled, the child may lack the capacity to secure employment and is faced with the challenge of paying off his or her medical bills. Social Security helps reduce the financial burden on the family by continuing the child's Social Security benefits if he or she was disabled before age 22 and for as long as he or she remains disabled and in most cases unmarried.<sup>12</sup>

- Almost one million disabled child beneficiaries of deceased, retired, or disabled caregivers, as of December 2010, continued their Social Security benefits beyond age of 18.<sup>13</sup>
- Adult children with disabilities can receive the same proportion of their parents' Social Security benefits as children without disabilities can.

## **How Do Children Raised by Grandparents or Other Relatives Benefit from Social Security?**

Children raised by grandparents or other relatives receive Social Security child benefits (survivors, retirement, disability, or adult children disability benefits) in three ways.<sup>14</sup>

- Some children are receiving benefits through their birth parents.
- Children adopted by relative caregivers are eligible for benefits through caregivers.
- Other children are eligible for Social Security benefits through their relative caregivers without adoption because they meet all conditions listed below:
  - Their parents are either deceased or disabled;
  - Their parents are not making regular contributions to the children's support; and
  - They began living with their caregiver(s) before age 18 and receive at least half of their support from caregiver(s) for a year before the caregiver becomes eligible for Social Security.

## How Do Children of Color and Low-income Children Benefit from Social Security?

While a child's race and ethnicity or socioeconomic status does not affect his or her Social Security eligibility or benefit level, Social Security is a particularly critical source of income for children of color and low-income children.

- In all, Social Security lifted 1.1 million children out of poverty in 2009.<sup>15</sup>
- African American children are overrepresented among Social Security child beneficiaries. In 2009, about 18 percent of children receiving survivors benefits were African American as contrasted with 15 percent of all children in the United States.<sup>16, 17</sup>

## Can Children with Disabilities Also Receive SSI Benefits?

SSI, or Supplementary Security Income, is a means-tested program for low-income seniors and children with severe disabilities. SSI is not part of Social Security program. Children with Disabilities may receive both Social Security and SSI benefits if they meet either of the conditions listed below.<sup>18</sup>

- A child with disabilities may only qualify for Social Security benefits based on the earning record of his or her deceased, retired, or disabled parent. At the same time, if the child meets SSI's definition of disability for children and has family income and resources within the eligibility limits, he or she may receive SSI benefits.<sup>19</sup> The amount of the child's Social Security benefits count toward the family income limit for his or her SSI benefits.
- A child with disabilities who turns age 18 may qualify for both Social Security and SSI benefits if he or she is eligible for Social Security's adult children disability benefits, meets SSI's definition of disability for adults, and meets the income and resources eligibility requirements of SSI.<sup>20</sup> The amount of the adult child's Social Security benefits will count toward the income limit for his or her SSI benefits.

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<sup>1</sup>Lavery, Joni and Virginia P. Reno (2008), Children's stake in Social Security (Social Security Brief NO.27), Washington DC: National Academy of Social Insurance. Available online at : [http://www.nasi.org/usr\\_doc/SS\\_Brief\\_027.pdf](http://www.nasi.org/usr_doc/SS_Brief_027.pdf)

<sup>2</sup> Ibid., 1

<sup>3</sup> Social Security Administration (2011), Survivors benefits. Available online at: <http://www.socialsecurity.gov/pubs/10084.html>

<sup>4</sup> Office of the Chief Actuary (2011), Fact sheet on the Old-Age, Survivors, and Disability Insurance program. Social Security Administration. Available online at: [http://www.ssa.gov/OACT/FACTS/fs2011\\_06.pdf](http://www.ssa.gov/OACT/FACTS/fs2011_06.pdf)

<sup>5</sup> The family maximum depends on the amount of the parent's benefits and the number of family members who also qualify on the parent's work record. The total varies, but it is generally equal to about 150% to 180% of the parent's retirement benefits. <http://www.socialsecurity.gov/survivorplan/ifyou6.htm>

<sup>6</sup> Ibid., 4

<sup>7</sup> Ibid., 1

<sup>8</sup> Ibid., 4

<sup>9</sup> Ibid., 4

<sup>10</sup> Ibid., 4

<sup>11</sup> Ibid., 4

<sup>12</sup> The child's disability also must meet the definition of disability for adults when he or she turns 18. Please refer to Social Security Administration website at: <http://www.socialsecurity.gov/pubs/10029.html>

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<sup>13</sup> Social Security Administration (2011), Number of Beneficiaries by Age, available online at:

<http://www.socialsecurity.gov/OACT/ProgData/byage.html?type=dc>

<sup>14</sup> Social Security Administration (2011), Benefits for grandchildren, available online at:

<http://www.socialsecurity.gov/kids/index.htm?tabNum=2>

<sup>15</sup> U.S. Census Bureau (2010), Current Population Survey (CPS) Table Creator II for the Annual Social and Economic Supplement at [http://www.census.gov/hhes/www/cpssc/apm/cpssc\\_altpov.html](http://www.census.gov/hhes/www/cpssc/apm/cpssc_altpov.html)

<sup>16</sup> Social Security Administration (2011), Social Security is important to African Americans, available online at:

<http://www.socialsecurity.gov/pressoffice/factsheets/africanamer.htm>

<sup>17</sup> U.S. Department of Commerce, Bureau of the Census, “Annual State Resident Population Estimates for 6 Race Groups (5 Race Alone Groups and One Group with Two or more Race Groups) by Age, Sex, and Hispanic Origin: April 1, 2000 to July 1, 2009,” at <http://www.census.gov/popest/datasets.html>. Calculations by Children’s Defense Fund.

<sup>18</sup> Social Security Administration, Benefits for disabled children, available online at:

<http://www.socialsecurity.gov/kids/parent6.htm>

<sup>19</sup> A child under 18 is considered disabled if his or her physical or mental condition is so severe that it results in marked and severe functional limitations. The condition must last or be expected to last at least 12 months or be expected to result in the child's death. The child must not be working at a job that Social Security Administration considers substantial work. For more information, please visit: <http://www.socialsecurity.gov/kids/parent6.htm>

<sup>20</sup> A child over 18 is considered disabled if his or her condition is severe enough to prevent them from doing any kind of work for which the child is suited.