Social Security

The Social Security program—Old-Age, Survivors, and Disability Insurance (OASDI)—provides monthly benefits to workers and their families when the worker retires, dies, or becomes disabled. The amount of the worker’s retirement insurance (old-age) or disability benefit is based on the worker’s level of earnings in employment or self-employment covered by the Social Security program. Monthly benefits are payable to retired workers at age 62 (with reduced benefits) or to disabled workers at any age. The benefit amount for an auxiliary or survivor beneficiary is based on a percentage of the worker’s benefit. Auxiliary and survivor beneficiaries must generally meet an age, disability, or child care requirement.

A total of 47,707,330 persons received benefits for December 2004. This number included 29,971,970 retired workers, 4,825,650 widows and widowers, 6,192,210 disabled workers, 2,723,630 wives and husbands, and 3,993,870 children. Social Security beneficiaries represented 15.8 percent of the total population and 90.7 percent of the population aged 65 or older.

Retired workers received an average monthly benefit of $955; widows and widowers, $897 (nondisabled widows and widowers, $920); disabled workers, $894; and wives and husbands of retired and disabled workers, $464. Average benefits for children of retired, deceased, and disabled workers were $466, $625, and $265, respectively.

Monthly benefits for December 2004 totaled $41.6 billion. Of this amount, $30.1 billion was paid to retired workers and their spouses and children, $5.5 billion to survivors, and $6.0 billion to disabled workers and their spouses and children. Average and total monthly benefits include the 2.7 percent cost-of-living increase effective December 2004.

In Arkansas, benefits were paid to 546,080 persons. This number included 310,790 retired workers, 58,020 widows and widowers, 95,960 disabled workers, 28,060 wives and husbands, and 53,240 children. Social Security beneficiaries represented 20.1 percent of the total population of the state and 93.1 percent of the state’s population aged 65 or older.

Retired workers in Arkansas received an average of $888 per month; widows and widowers, $795; disabled workers, $846; and wives and husbands of retired and disabled workers, $429. Average benefits for children were $451 for children of retired workers, $554 for children of deceased workers, and $249 for children of disabled workers.

Monthly benefits for December 2004 totaled $437 million. Of this amount, $290 million was paid to retired workers and their spouses and children, $59 million to survivors, and $88 million to disabled workers and their spouses and children.

Supplemental Security Income

Supplemental Security Income (SSI) is a federal cash assistance program that provides monthly payments to low-income aged, blind, and disabled persons in the 50 states, the District of Columbia, and the Northern Mariana Islands. The program is based on nationally uniform eligibility standards and payment levels. The federal SSI payment is determined by the recipient’s countable income, living arrangement, and marital status. As of January 2005, the maximum monthly federal SSI payment for an individual living in his or her own household and with no other countable income is $579, and for a couple, $869.

A state may supplement the payment levels of all or selected categories of recipients. These supplemental payments may be administered by the state or the Social Security Administration.

In December 2004, 6,987,845 persons received federally administered SSI payments: 1,211,167 were aged and 5,776,678 were disabled or blind. A total of 1,977,610 recipients were aged 65 or older, 4,017,108 were 18 to 64, and 993,127 were under the age of 18.

The total number of persons receiving a Social Security payment, a federally administered SSI payment, or both was 52,253,851. Federally administered payments totaled $3.2 billion in December 2004: $2.9 billion in federal SSI payments and $362 million in state supplements. The average federally administered payment was $428. Aged persons averaged $351, and disabled and blind persons, $445.
In addition, 552,346 persons in 31 states received state-administered payments in December 2004 that totaled $68.8 million.

In Arkansas, 87,928 persons—10,390 aged and 77,538 disabled and blind—received federally administered SSI payments in December 2004. A total of 19,932 recipients were aged 65 or older, 51,675 were aged 18 to 64, and 16,321 were under the age of 18.

Federally administered SSI payments totaled $35.3 million, of which all but $3,689 was federal SSI. The average federally administered payment was $361 overall: $160 for aged recipients and $388 for disabled and blind recipients.

In December 2004, the total number of persons in Arkansas receiving a Social Security benefit, a federally administered SSI payment, or both was 596,795.

**Earnings and Employment Data**

**Social Security**

Nationally, in 2003, the latest year for which state data are available, an estimated 154.5 million persons worked in employment that was covered under the Social Security (Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI)) program. They earned $4.4 trillion in Social Security taxable earnings. Employees, employers, and the self-employed paid a total of $541 billion in Social Security taxes to the OASI and DI trust funds.

In Arkansas in 2003, an estimated 1.42 million residents worked in employment covered under the Social Security program. They had $32.06 billion in Social Security taxable earnings. Employees, employers, and the self-employed paid a total of $3.98 billion in Social Security taxes.

**Medicare**

Nationally, in 2003, the latest year for which state data are available, an estimated 158.1 million persons worked in employment that was covered under the Medicare (Hospital Insurance, or HI) program. They earned $5.3 trillion in Medicare taxable earnings. Employees, employers, and the self-employed paid a total of $153 billion in Medicare taxes to the HI trust fund.

In Arkansas in 2003, an estimated 1.43 million residents worked in employment covered under the Medicare program. They had $34.83 billion in Medicare taxable earnings. Employees, employers, and the self-employed paid a total of $1.01 billion in Medicare taxes.

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SOURCE: The data are from the Social Security Administration’s administrative files. Program data for Social Security are from the Master Beneficiary Record, 10 percent sample; data for SSI are from the Supplemental Security Record, 100 percent data, and data reported by individual states; earnings and employment data are from the Master Earnings File, 1 percent sample.

CONTACTS:
- Social Security data, rona.m.blumenthal@ssa.gov or 410-965-0163.
- SSI data, arthur.l.kahn@ssa.gov or 410-965-0186.
- Earnings and employment data, greg.k.diez@ssa.gov or 410-965-0153.
- Information about data processing, angela.y.harper@ssa.gov or 410-966-9541.

**Social Security Administration**

Office of Policy
Office of Research, Evaluation, and Statistics
500 E Street, SW, 8th Floor
Washington, DC 20254

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