

Chapter 9

Checkpoint 9.1

1. How is Social Security intended to be used in retirement?

Answer: As a supplement to other retirement savings.

2. What is a person's Social Security benefit based on?

Answer: The 35 highest years of earnings.

3. What is purchasing power?

Answer: How many goods and services your money can buy.

4. Who can get a spousal benefit from Social Security?

Answer: Workers spouses who have low or no income.

5. How are Social Security benefits funded?

Answer: Through a portion of FICA payroll taxes.

Checkpoint 9.2

1. What is the purpose of Social Security Disability Insurance?

Answer: To provide income to those who are unable to work due to a serious medical condition.

2. What does substantial gainful activity mean?

Answer: Any physical or mental activity that can be performed for compensation.

3. When is the SSDI trust fund estimated to be exhausted?

Answer: 2018

4. What is the purpose of Supplemental Security Income?

Answer: It is income for certain people to help meet their basic needs.

5. For children receiving survivors benefits, at what age does the benefit end in most cases?

Answer: 18