



9

## FACTS ABOUT SOCIAL SECURITY



**STRATOS**  
WEALTH ADVISORS







**TIP:**

**HOW MUCH? CHECK YOUR SOCIAL SECURITY EARNINGS AND SEE AN ESTIMATE OF YOUR BENEFITS ON THE WEBSITE, [WWW.SSA.GOV](http://WWW.SSA.GOV).**

Social Security's been a fact of retirement life ever since it was established in 1935. We all think we know how it works, but how much do you really know?

Here are nine things that might surprise you.

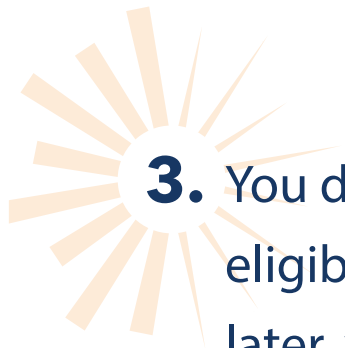


**1.** The Social Security trust fund is huge.  
It was \$2.8 trillion at the end of 2022.<sup>1</sup>



**2.** Most workers are eligible for Social Security benefits, but not all.

For example, until 1984, federal government employees were part of the Civil Service Retirement System and were not covered by Social Security.<sup>2</sup>



**3.** You don't have to work long to be eligible. If you were born in 1929 or later, you need to work for 10 or more years to be eligible for benefits.<sup>3</sup>



**4.** Benefits are based on an individual's average earnings during a lifetime of work under the Social Security system. The calculation is based on the 35 highest years of earnings. If an individual has years of low or no earnings, Social Security may count those years to bring the total years to 35.<sup>4</sup>





**5.** There haven't always been cost-of-living adjustments (COLA) in Social Security benefits. Before 1975, increasing benefits required an act of Congress; now, increases happen automatically, based on the Consumer Price Index. There was a COLA increase of 8.7% in 2023, but there was an increase of 5.9% in 2022.<sup>5</sup>





**6.** Social Security is a major source of retirement income for 64% of current retirees.<sup>6</sup>



**7.** Social Security benefits are subject to federal income taxes – but it wasn't always that way. In 1983, Amendments to the Social Security Act made benefits taxable, starting with the 1984 tax year.<sup>7</sup>



**8.** Social Security recipients received a single lump-sum payment from 1937 until 1940. One-time payments were considered “payback” to those people who contributed to the program. Social Security administrators believed these people would not participate long enough to be vested for monthly benefits<sup>8</sup>





**9.** In January 1937, Earnest Ackerman became the first person in the U.S. to receive a Social Security benefit – a lump sum of 17 cents.<sup>9</sup>



The opinions voiced in this article are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which strategies or investments may be suitable for you, consult the appropriate qualified professional prior to making a decision.

Investment advice offered through Stratos Wealth Advisors, LTD, a Registered Investment Adviser DBA Young American Wealth Management.

1. SSA.gov, 2023
2. Investopedia.com, April 4, 2023
3. SSA.gov, 2023
4. SSA.gov, 2023
5. SSA.gov, 2023
6. EBRI.org, 2022
7. SSA.gov, 2023
8. SSA.gov, 2023

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright 2023 FMG Suite.