

Mr. Frederick G. Streckewald, Assistant Deputy Commissioner for Disability and Income Security Programs, Social Security Administration

Chairman Craig and Members of the Committee, thank you for inviting me to testify about Social Security benefits available to the survivors of the brave men and women who serve in our Armed Forces.

In my testimony I will discuss our procedures to expedite claims for the surviving family members of our military personnel who have given their lives in the service of our country and the current conflicts in Iraq and Afghanistan. These procedures are similar to those implemented following the September 11, 2001 terrorist attacks. I will also describe the types of Social Security benefits that are paid to these widows, widowers, and children and how these benefits are computed.

Last year, the Social Security Administration (SSA) paid about \$490 billion in benefits to over 47 million beneficiaries. Social Security is much more than a retirement program. Thirty percent of our beneficiaries are disabled workers and their families and survivors of deceased workers -- widows, widowers and children. Among those counting on the protection of Social Security are our young servicemen and servicewomen and their families. They, and the millions joining the system every year, are relying on Social Security for a major portion of their future financial security.

At Social Security, we are committed to delivering high quality, citizen centered service. We offer our services in person at our nearly 1,300 field offices located throughout the country, via our toll-free telephone service (1-800-772-1213) and via our website (www.socialsecurity.gov).

Special Procedures

The Social Security Administration, in the best tradition of public service, has responded quickly to help families who have lost a loved one in the Armed Forces of our great Nation. We are grateful to our servicemen and servicewomen for the sacrifices they make in defense of our freedom, and we take great care in assisting the families of those who have made the ultimate sacrifice. SSA personnel are well-trained and experienced to handle these claims in a compassionate manner. Further, we are committed to processing these claims in an accurate and timely manner.

Working closely with the Department of Defense, SSA implemented special instructions to expedite the processing and payment of claims filed by survivors of all service members who die on active duty. All claims for survivors benefits based on the records of military casualties are being processed by the Immediate Claims Taking Unit in our Philadelphia payment center.

Families of service members calling to apply for survivor benefits using SSA's toll-free 800 number will have their call transferred to this special staff, where an application will be completed and necessary evidence discussed. In addition, SSA has established a toll-free number to allow claimants to call this special staff directly. To prevent any possible loss of benefits, SSA

allows a third party, such as the Casualty Assistance Officer, to file applications on behalf of any survivors.

By having these claims expedited through a special central processing unit, SSA is able to process these cases in an average of 2 - 3 days. In many cases, these claims are processed the same day the call is received. However, for those who prefer to file in person at their local office, that option remains available.

Social Security Survivor Benefits

Now, I'd like to turn my focus to the importance of survivor benefits.

Social Security is especially valuable for workers who die before they are able to accumulate additional assets towards providing security for their survivors. By providing a monthly benefit that is inflation adjusted, Social Security benefits also ensure that the purchasing power for the survivors will not erode over time.

The monthly cash benefits Social Security pays to the survivors of deceased service members are the same benefits paid to the survivors of all insured workers. In 2004, Social Security paid over \$14.5 billion in benefits to over 1.9 million surviving children and approximately \$1.5 billion to 184,000 widowed mothers and fathers. In December 2004, the average monthly benefit paid to surviving children was \$625; the average monthly benefit paid to surviving spouses caring for the worker's children was \$689. With respect to surviving families, the average monthly benefit paid to a family consisting of a surviving spouse and two or more children was \$1,905.

For survivors to be eligible to receive benefits, the deceased worker must have credit for a certain amount of work that is covered under Social Security. Active duty military service employment has been covered by Social Security since 1957. Depending upon the worker's age at death, as few as 6 quarters of coverage from any work covered under Social Security may be sufficient for the worker's survivors to be eligible for benefits. (Six quarters of coverage represents 1 ~ years of work.) The maximum requirement for coverage under Social Security is 40 quarters of coverage.

Social Security benefits for survivors are based on the deceased worker's "primary benefit". The primary benefit is the same benefit amount paid to workers who receive Social Security disability insurance benefits or who wait until the full-benefit retirement age (FRA) to claim benefits. (The FRA is currently age 65 and 6 months for workers reaching age 65 this year, but will gradually increase to age 67.)

The first step in computing the worker's primary benefit is to update (index) the worker's earnings to reflect today's dollars. Then the worker's indexed earnings are averaged over a period of years. (For service members and other workers who die at age 29 or earlier, just the highest two years of indexed earnings are counted for this average.) Finally, a benefit formula is applied to the worker's average earnings amount to compute the worker's primary benefit.

Monthly benefits payable on a worker's record are limited to a statutory maximum, known as the family maximum. The family maximum ranges from about 150 percent to about 188 percent of the worker's primary benefit, and usually applies when two or more survivors are eligible for benefits on the worker's record.

The following requirements apply for Social Security survivor benefits:

Widow/Widower (of deceased worker)

Married to the worker at least 9 months. (If the death is accidental or occurs in the line of duty while the deceased is a member of a uniformed service on active duty, the 9 month requirement is waived.) Or divorced from the worker after 10 years of marriage. Benefits are available at:

? Full-benefit Retirement Age (FRA) (100 percent of the worker's primary benefit)

? Age 60 to FRA (100 percent of worker's primary benefit permanently reduced for each month of the widow/widowers entitlement prior to FRA)

? Age 50-59 and disabled (71.5 percent of the worker's primary benefit)

At any age to a surviving spouse or surviving divorced spouse, without a duration of marriage requirement, if caring for an entitled child of the deceased worker, under age 16 or disabled (75 percent of the worker's primary benefit).

Child (of deceased worker) and meets one of following requirements:

? Under age 18 and unmarried (75 percent of worker's primary benefit)

? Attending elementary or secondary school full-time at age 18 and through the end of the school term in which age 19 is attained (75 percent of the worker's primary benefit)

? Disabled child, age 18 or over, who was disabled before age 22 (75 percent of the worker's primary benefit).

Dependent Parent Age 62 or Older (of deceased worker)

? One surviving parent (82 1/2 percent of worker's primary benefit)

? Two surviving parents (75 percent of worker's primary benefit payable to each parent).

Lump-Sum Death Payment

A one-time amount of \$255 is payable, upon the death of an insured worker, to a spouse with whom the worker was living at the time of death or to a spouse or child who is eligible for monthly survivor benefits for the month of the worker's death.

In conclusion, I want to again thank the Committee for inviting me to testify today about the important role that Social Security plays in providing economic security for the families of those in our Armed Forces who have lost their lives in the service of our nation. For decades, the Social Security program has provided this protection and is as important as ever. Social Security employees reflect the highest ideals and the finest traditions of our Agency in making real our common goal of providing prompt and caring service to those affected by the war on terror.

I will be happy to answer any questions you may have regarding the benefits that the Social Security Administration pays to survivors of our service members.