Social Security --
You can have it if you want it
On January 1, 1951!

- The trustees have voted to accept the Social Security Act amendments of 1950. The rest is up to you.

- How do you get it? Two-thirds majority vote by you closes the deal.

- Do you know what Social Security offers you? It's to your interest to learn about it.
YOU AND SOCIAL SECURITY

The provisions of the Federal Old-Age and Survivors Insurance system, popularly known as Social Security, are now available to the employees of hospitals and other non-profit institutions. The plan, as it affects our hospital, is entirely voluntary.

The Board of Trustees has voted unanimously to accept the amended Social Security Act. Now it is up to you and your fellow employees to decide if you wish to take advantage of the benefits offered to hospital employees for the first time under the amended act.

IF YOU (2/3 or more of the employees) are in favor of the coverage, immediate action will be taken by the hospital to begin participation for those employees on January 1, 1951.

If a 2/3 majority vote is obtained, only those employees who signified their desire to participate will be covered, but others may sign, if they wish, within 30 days after the certificate is filed by the hospital. Thereafter, all new employees would be covered.

If the plan is accepted, you will pay 1/2% of your gross wages each month beginning January 1, 1951. This amount will be matched by the hospital, making a total deposit to your account of 3%, or $3.00 for each $100 of wages. This money, which is forwarded to the United States Collector of Internal Revenue, is applied to your own retirement fund. The 1/2% deduction for this retirement benefit applies only to the first $3600 of wages or salaries paid to an employee during a calendar year beginning after January 1, 1951.

BENEFITS

The Social Security Act Amendment of 1950 has greatly increased the benefits to those covered by this insurance. Minimum monthly benefits have been increased from $10 to $20, and maximum family payments from $85 to $150 per month.

YOUR PRIMARY INSURANCE

A number of factors are involved in computing the benefits. Basically, however, your primary insurance will be 1/2 of the first $100 of your average monthly pay, plus 15% of anything over $100 of your average monthly pay up to $300 per month.

The average monthly wage on which the payment will be based is computed by dividing the total monthly wages up to $3600 per year paid after January 1, 1951, by the total number of months elapsed from that date to retirement. For example, let us assume that an employee earning $100 per month on January 1, 1951, is 55 years old. At the age of 65, he would have paid into the fund for 10 years. Ten years, or 120 months, divided into $12,000 (assuming he made $1200 per year for ten years) is the average computed monthly wage. One-half of the average computed monthly wage of $100 is $50. You can see that it is important that you contribute into the plan from the effective date, which is January 1, 1951, in order not to be penalized for the number of months you did not contribute to the plan, in arriving at the computed average monthly wage. For instance, if you did not join the social security program until January 1, 1952, your monthly retirement benefit would be reduced from $50 to $45 per month. A person earning $200 per month, or $2400 per year, and paying into the plan for ten years from the effective date would receive retirement benefits at the age of 65 of $65 per month -- (1/2 of the first $100 equals $50, 15% of the excess over $100, or $15, makes a total of $65). These benefits are computed for a single person with no dependents.
YOUR BENEFITS

RETIREMENT PAYMENTS

IF NOT MARRIED WHEN YOU RETIRE, YOU WILL GET 1/2 OF THE FIRST $100 OF YOUR AVERAGE MONTHLY PAY, PLUS APPROXIMATELY 1/6 (15%) OF ANYTHING OVER $100 OF YOUR AVERAGE MONTHLY PAY UP TO $300 PER MONTH. THIS IS YOUR PRIMARY INSURANCE.

IF YOU ARE MARRIED WHEN YOU RETIRE, 1/2 OF YOUR PRIMARY INSURANCE IS ADDED WHEN YOUR WIFE REACHES 65. IF YOU ARE SUPPORTING A CHILD UNDER 18 IN YOUR FAMILY, ANOTHER 1/2 IS ADDED TO YOUR MONTHLY INSURANCE, AND YOUR WIFE RECEIVES HER BENEFIT REGARDLESS OF HER AGE.

SURVIVORS PAYMENTS

WHEN YOU DIE, YOUR SURVIVOR GETS A LUMP SUM PAYMENT WHICH IS EQUAL TO 3 TIMES YOUR MONTHLY INSURANCE.

PAYMENTS WILL BE MADE MONTHLY TO YOUR SURVIVORS --
-- SINGLE CHILDREN UNDER 18.
-- YOUR WIDOW, REGARDLESS OF HER AGE, IF A CHILD OF YOURS UNDER 18 IS IN HER CARE.
-- YOUR WIDOW AT AGE 65, IF THERE ARE NO CHILDREN UNDER 18.
-- YOUR DEPENDENT PARENTS AT AGE 65, IF YOU HAVE LEFT NO WIDOW OR CHILD UNDER 18.

There are additional benefits for married persons, widows with dependent children, etc. If the retiring employee is married at the time of retirement, 1/2 of the primary insurance benefit is added when the wife reaches 65 and, if a child under 18 is being supported in the family, another 50% is added to the monthly insurance coverage, and the wife is eligible to receive her benefit regardless of her age. The maximum monthly payment, however, will be $150, or 80% of the average monthly wage, whichever is lower.

DEATH BENEFITS

The present law also provides, upon the death of an insured employee, a lump sum payment to the survivor which is equal to three times the monthly insurance coverage.

If a fully insured employee dies leaving only a spouse, no further payments are made until the spouse reaches age 65, at which time benefit payments are made. If the spouse is left with the support of a child under 18, the monthly benefit payment, in addition to the lump sum death payment, will be equal to 1½ times the monthly insurance benefits computed as of the date of death. Additional payments would be included for the support of more than one child. After the child reaches 18, the spouse would receive no monthly payments until age 65.

On the following page is an illustrative table which shows roughly the amount of monthly benefits a hospital employee might expect to receive as based upon his average monthly wage.
## APPROXIMATE MONTHLY BENEFITS

(Insured Having Five Years or More of Coverage)

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Single Person</th>
<th>Man and Wife*</th>
<th>Survivors of Insured Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Widow* Alone</td>
</tr>
<tr>
<td>$100</td>
<td>$50</td>
<td>$75</td>
<td>$38</td>
</tr>
<tr>
<td>150</td>
<td>58</td>
<td>86</td>
<td>43</td>
</tr>
<tr>
<td>200</td>
<td>65</td>
<td>98</td>
<td>49</td>
</tr>
<tr>
<td>250</td>
<td>73</td>
<td>109</td>
<td>54</td>
</tr>
<tr>
<td>300</td>
<td>80</td>
<td>120</td>
<td>60</td>
</tr>
</tbody>
</table>

*Wife or Widow age 65 or over.

---

### RETIREMENT AGE

Age 65 is specified in the legislation as the age of retirement. This does not mean that you are compelled to stop working then; you may continue in the employment of the hospital, and both the hospital and you would continue to make the usual payments on your salary. Age 65 is the earliest age at which monthly benefit payments from social security would be made to a retired employee.

### EMPLOYEES OVER 65

Workers past 65 years of age are in a most fortunate position under the terms of the 1950 amendments. The worker over 65 may choose whether or not to be covered by OASI. If he is not already eligible for OASI benefits, he may sign up just like any other employee and, after working for a year and a half, he may become eligible for old age benefits. If he has earned quarters of coverage in other employment prior to 1951, he may use as many of those quarters as he needs to make up the necessary minimum of six quarters of coverage for eligibility. Such quarters of coverage may be earned before and after 1951 and before and after age 65.

### EARNINGS AFTER RETIREMENT

The new legislation has raised the limit of earnings after retirement from $15 to $50 per month. If you are retired, you could earn, either as an employee or through self-employment, $50 per month and still receive full old-age and survivors benefit payments from the federal plan. If your earnings from employment were more than $50 per month, you would receive no social security payments.

Workers over 75 may earn any amount of money in covered employment and still get full benefits.

### LENGTH OF SERVICE IN COVERED EMPLOYMENT

Your length of service on jobs covered by the Social Security law is spoken of in terms of calendar quarters. Calendar quarters in which you are paid $50 or more (or $100 if self-employed) are called "Quarters of Coverage."
Here are the rules about the number of 'Quarters of Coverage':

1. You must have half as many quarters of coverage as there were calendar quarters during the time after the year 1950 and before the quarter in which you became 65. If the amount of quarters comes to an odd figure, it is reduced by one.

2. Once you have 40 quarters of coverage, regardless of your year of birth, you are 'fully insured' as long as you live and you can qualify after age 65.

3. You must have at least 6 quarters of coverage to qualify in any event. This is the minimum.

4. Quarters of coverage earned before 1951 may be counted toward retirement.

The following table shows the number of quarters of coverage needed for various ages reached in the first half of 1951.

<table>
<thead>
<tr>
<th>Age, first half of 1951</th>
<th>Quarters of coverage needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>62 or over</td>
<td>6</td>
</tr>
<tr>
<td>61</td>
<td>8</td>
</tr>
<tr>
<td>60</td>
<td>10</td>
</tr>
<tr>
<td>59</td>
<td>12</td>
</tr>
<tr>
<td>58</td>
<td>14</td>
</tr>
<tr>
<td>57</td>
<td>16</td>
</tr>
<tr>
<td>56</td>
<td>18</td>
</tr>
<tr>
<td>55</td>
<td>20</td>
</tr>
<tr>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>45 or under</td>
<td>40</td>
</tr>
</tbody>
</table>

If you have worked for some other employer in a covered field of work and have already made payments to federal social security, those quarters of employment in covered work will count toward the minimum requirements for full insurance benefits.

FOUR CALENDAR QUARTERS

REGISTERED NURSES

The majority of registered professional nurses will now be covered by the Act either on a compulsory basis or on a voluntary basis -- compulsory if they are self-employed as in private duty and earn a net annual income of $400.00 per year, or voluntary if they are nurse employees of a hospital or other non-profit institution where the Social Security program has been accepted.

WORLD WAR II VETERANS

If you are a veteran of World War II, you get a wage credit of $160 for each month of military service that you performed. In other words, you are considered to have been working on a job covered by Social Security at an average monthly wage of $160. These wage credits can be taken into account in determining your eligibility for benefits and in computing monthly benefits (including cases where death occurred prior to the 1950 Amendments) and in determining lump-sum death payments where death occurs after that date.
These wage credits apply regardless of whether death occurred in service and whether veterans' benefits were payable. However, war service wage credits are withheld when the same period of military service is credited toward benefits payable under another governmental system, such as civil service retirement, railroad retirement, or a military pension on account of age alone.

**STUDENT NURSES AND INTERNS**

The Social Security Act Amendments of 1950 provide that some wages are not subject to social security deductions. These include --

1. Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to state law.

2. Service performed as an intern in the employ of a hospital by an individual who has completed a four-year course in a medical school chartered or approved pursuant to state law.

**CONTRIBUTIONS**

The present legislation provides the following rates of deductions from employees' wages, and rates of payments by employers:

<table>
<thead>
<tr>
<th>Calendar Years</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-53</td>
<td>1½%</td>
</tr>
<tr>
<td>1954-59</td>
<td>2%</td>
</tr>
<tr>
<td>1960-64</td>
<td>2½%</td>
</tr>
<tr>
<td>1965-69</td>
<td>3%</td>
</tr>
<tr>
<td>1970 &amp; thereafter</td>
<td>3½%</td>
</tr>
</tbody>
</table>

These rates may be changed by future legislation, as they have in the past, but beginning with the first pay period after January 1, 1951, deductions of 1½% for Social Security purposes are to be made on all payments of salaries and wages to employees covered by the new legislation, and are to be continued each pay period during the calendar year until $3600 has been paid the employee.

**WAIVER CERTIFICATE**

When you receive your paycheck on December 6, 1950, you will find attached to it a waiver certificate on which you are to indicate whether or not you wish to participate in the new Social Security plan. Complete the form, sign your name, and return it immediately to your department head.

It is your privilege and obligation to take part in this vote -- no matter what your preference may be, express it by filling out your certificate. Every employee's cooperation is needed to determine if a 2/3 majority shall be obtained.

---

**SOCIAL SECURITY ACT**

**ACCOUNT NUMBER**

486-22-4807

**HAS BEEN ESTABLISHED FOR**

Martha Lucille Weber

7-3-40

COMPLETING YOUR CERTIFICATE

**VOTE ON DECEMBER 6**