



*Columbia University*

## **The Clearinghouse on International Developments In Child, Youth and Family Policies**

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# **Survivors Benefits: First line of protection in the wake of recent tragedies**

The events of September of 11 made many Americans aware for the first time of the importance of social benefits related to catastrophes. The topic is hardly a new one since social security and other benefits have long been organized around the concept of risks. How we care for our widows/widowers and orphans is an important, but infrequently discussed topic in the media.

“In September, a husband in New York City whose wife had been killed at the World Trade Center was ready to sell his home, because he, as a stay-at-home father, could not afford to keep it. He was able to take it off the market after a Social Security representative contacted him to let him know that he and his family were eligible for survivors benefits,” said Larry Massanari, Acting Commissioner for Social Security in his concluding remarks during his testimony to the House Committee on Ways and Means on November 1 regarding the Social Security’s response to the September 11 terrorist attacks.

In the United States, as well as other industrialized countries, social insurance and social assistance programs provide benefits to the survivors of paid workers. These benefits are often the first and sometimes only line of economic protection for survivors, especially children. Since the September 11 attack, 4,000 disaster-related claims have been made to the Social Security Administration; over half of those are for children who lost their parents.

On the following pages we describe and compare survivors benefits in terms of eligibility requirements; benefit amounts, limits, durations; and other special death benefits, payable under the United State’s Social Security program with those under social insurance and social assistance programs in other industrialized nations. We turn to these other countries to explore a menu of additional possibilities.

**Issue Brief  
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## **Survivors Benefits in the United States:**

Survivors benefits are payable in the United States as part of the Old Age and Survivors Insurance Program under our national Social Security system. Social Security benefits can be

paid to workers and their dependents or survivors only if the workers have worked long enough in covered employment to be insured for these benefits.

For the purpose of the Old Age and Survivors Insurance (OASI) Program, there are two types of insured status: “fully insured” and “currently insured”.

*FULLY INSURED:* Workers are *fully insured* for benefits for themselves and for their eligible dependent(s) if they have earned at least one credit for each year after the year they reached age 21 up to the year in which they reach age 62, become disabled, or die, whichever occurs earlier. *Fully insured* status is required for eligibility for all types of benefits except certain survivors benefits. A worker with 40 credits (this equals at least 10 years of work, with a modest earnings minimum each quarter, currently \$830.) is insured for life.

*CURRENTLY INSURED:* Survivors of a worker who was not fully insured may still be eligible for benefits if the worker was *currently insured*. Workers are *currently insured* if they have 6 credits during the 13 calendar quarters (currently, earnings of \$830 per quarter) ending with the quarter in which they died.

In 1999, about 151.7 million workers, of a total work force of approximately 158.5 million workers and an estimated 96 percent of all jobs in the United States were covered by Social Security. While coverage is compulsory for most types of employment, approximately 6.8 million workers did not have any coverage under Social Security in 1999. The majority of these non-covered workers were covered however, by benefits provided by state and local governments or the federal government.

Currently, there are over 200,000 survivors of deceased workers, themselves below retirement age, who are caring for dependent children and therefore receiving benefits. Also, of importance is the number of children who are receiving survivors benefits. In 2001, close to 2 million children received survivors benefits with the average monthly benefit being \$554 per child. The Social Security Administration estimates that currently 98 out of every 100 children in the United States can receive survivors benefits if a working parent should die.

#### ***ELIGIBILITY:***

Social Security survivors and dependent benefits are payable to widows, widowers, children, dependent parents and eligible divorced spouses. For the purposes of this *Issue Brief*, we will focus only on widows/widowers and children.

*Widow/Widower:* A monthly survivors benefit is payable to a widow/widower, an unmarried divorced spouse (all who meet certain age requirements) of a worker who was *fully* insured at the time of death or who is caring for children who are under age 16, or disabled.

*Children:* A monthly survivors benefit is payable to unmarried children under age 18, or up to age 19 if they are attending elementary or secondary school full-time (no age limit if disabled before age 22 and remain disabled) Under certain circumstances, benefits also can be paid to stepchildren, grandchildren, or adopted children.

#### ***BENEFIT AMOUNT:***

Survivors benefits are generally a percentage of the benefits paid to the deceased at time of death, or the benefit to which the insured would have been entitled if the insured had attained the eligible age or become disabled at that time. The level of the benefit is based on the amount the insured worker earned in covered jobs, and is paid without a means or income test. The more he or she paid into Social Security, the higher the benefits will be, except that the benefit level is weighted toward lower wage earners. The percentage depends on age and the type of benefit.

*Widow/Widower:* Widows/widowers, at any age, who are caring for a child under age 16, or disabled, receive **75 percent** of the deceased's Social Security benefits. A widow/widower age 65 or older receive 100 percent of the benefits and a widow/widower age 60 to 64 can receive about 71-94 percent.

*Children:* Dependent children receive **75 percent** of the deceased's Social Security benefit. If there is more than one member of the family receiving benefits, the maximum benefit amount varies, but is generally equal to about 150 to 180 percent of the deceased's benefit. If the sum of the benefits payable to the family members is greater than this, the benefits will be reduced proportionately.

#### ***SPECIAL ONE-TIME DEATH BENEFIT:***

There is a special one-time payment of \$255, if the deceased is *fully* or *currently* insured. The payment is made to the surviving spouse, if there is no eligible spouse, the benefit is payable to any eligible child of the deceased.

#### ***SPECIAL POST SEPTEMBER 11, 2001 BENEFITS:***

President George W. Bush signed into law on September 18, 2001 the *2001 Emergency Supplemental Appropriations Act for Recovery from and Response to the Terrorist Acts on the United States*. This law provides assistance to the victims and deals with other consequences of the attacks. The President also signed into law on September 22 the *Air Transportation Safety and System Stabilization Act*. Under Title IV of this law, Congress created the *September 11th Victim Compensation Fund of 2001*. This fund creates a limited compensation fund, administered by the Attorney General through a Special Master, for any individual (or relatives of deceased individuals) who was physically injured or killed as a result of the terrorist-related aircraft crashes of September 11, 2001. It is speculated that these funds will allow for payments to families of more than \$1 million each. Those who apply for relief under these laws, waive their right to sue for damages sustained in the attacks in any federal or state court. The amounts paid out by these funds must be reduced by the amount any family receives from its own private insurance, death benefits or government assistance. Moreover, no one knows how many new assistance (TANF- "welfare") claims will be filed by survivors; however it is speculated that the resulting applications may be low due to private donations and other government benefits.

## **Highlights From Other Industrialized Countries:**

Survivors benefits in other industrialized countries are payable under various types of social security programs. Numerous countries, such as Austria, Belgium, Germany, Italy, the Netherlands, and Spain, have an earnings related benefit payable under a social insurance system. A few countries, such as Iceland and Norway, employ a two-tier system that includes a flat rate universal benefit supplemented by an earnings-related benefit.

Survivors benefits are generally a percentage of the benefits paid to the deceased at death, or the benefit to which the insured would have been entitled if the insured had attained pensionable age or become disabled at that time. Survivors benefits range from 7.7 percent to 59.9 percent of the average monthly earnings of the deceased. Several countries, such as Australia, Finland, Germany, Ireland, Israel, and the United Kingdom, combine universal social insurance survivors benefits with means or income testing for supplementary benefits

For survivors to be eligible for benefits, most programs require that the deceased worker was of retirement age, or have completed a minimum period of covered employment and/or contributions. The surviving spouse and orphans must also often meet certain conditions, such as age requirements.

Survivors benefits in other industrialized countries share many similarities to those in the United States. Key among these similarities is the presence of a child for a spouse to be eligible for survivors benefits prior to meeting old-age requirements.

Among the most interesting special variations are the following:

**Longer duration of survivors benefits for children:** In the United States, children receive higher survivors benefits than in most industrialized countries; yet, the period of time for receipt of benefits is longer almost everywhere else. In the United States, unmarried children under age 18 or up to age 19, if they are attending secondary school full-time, are eligible for benefits. In many industrial countries survivors benefits to children generally continue through the completion of mandated or formal education, including university education, which varies from age 18 to 27.

**Difference in benefit amount for full and half orphans:** Under most survivors programs, there is a difference in the amount of benefit based on whether the child is a half orphan (a child who has lost one parent) or a full orphan (a child who has lost both parents) and whether there are additional siblings. The amount of orphan benefits payable to half orphans range from 10 to 40 percent of the deceased worker's benefits. For full orphans, the benefits range from 20 to 100 percent. In some countries, the benefit is not set as a percentage of the deceased worker's benefits but as a set periodic payment. Children in divorced families may receive a "half orphans benefit" in some countries as well.

**Two countries provide a supplemental cash benefit to cover all or part of the costs of childcare:** Both France and Norway offer additional child care cash benefits to surviving families to enable the education or labor force participation of low-income surviving spouses.

**Benefits for co-habitants and partners:** A few countries offer benefits for co-habitants and partners. For example, in the Netherlands, an unmarried permanent partner caring for children under age 18 is eligible for survivors benefits. In Sweden, a co-habitant of at least five years or who is living with a child under age 12 qualifies for the survivors benefits.

**More generous lump sum benefits:** Lump sum benefits are also available in many countries though the level of provision varies widely across countries. In the United States survivors

receive a one-time lump sum of \$255. This amount contrasts sharply to Canada where the survivors receives a lump sum death benefit equal to 6 months' retirement pension up to a maximum lump sum of C\$2,5000 (1999 figures). And, in Portugal survivors receive a lump sum death grant equal to 6 times the average monthly earnings during the best 2 of the last 5 years.

## Conclusion:

Many people do not realize the extent and importance of survivors benefits until tragic situations like September 11 and most recently the American Airlines crash happens. In most industrialized countries, survivors benefits are a core component of social insurance programs; they are available for all eligible survivors and are a significant resource for those in need. Of particular interest, several countries provide special or universal benefits, not usually available in the United States, which can be very helpful to surviving children and their parent(s).

To apply for Social Security survivors benefits in the United States, survivors can call the Social Security Administrations toll-free number 1-800-772-1213 or go to their website at [www.ssa.gov](http://www.ssa.gov). It is important to note that the Social Security Administration has special rules for processing survivors claims when there is a disaster. Usually it requires a statement from a disinterested party about what happened to the deceased, but because of the events in New York City, Pennsylvania, and Washington, DC, on September 11, the Social Security Administration is also accepting: newspaper accounts of flight manifests for people who were on one of the four airplanes; pentagon press releases; or statements of loss of a person who was in or near the World Trade Center.

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**The Clearinghouse on International Developments in Child, Youth and Family Policies** provides cross-national, comparative information about the policies, programs, benefits and services available in 23 advanced industrialized countries to address child, youth, and family needs. For more information visit our website at [www.childpolicyintl.org](http://www.childpolicyintl.org) or call Tamara Cannon at (212) 854-9007. The Clearinghouse is funded by the W.T. Grant Foundation. Still available upon request (and on our website) is our recent issue brief and a related book on International Developments in Early Childhood Education and Care.

The Clearinghouse periodically sends updates regarding international developments in child, youth and family policies. If you know of someone interested in receiving these updates, please refer them to our website where they can register for our on-line updates. If you wish to be taken off our mailing list please contact us at [childpolicyintl@columbia.edu](mailto:childpolicyintl@columbia.edu).



622 West 113<sup>th</sup> Street, McVickar Hall, Mail Code 4600, New York, NY 10025  
(212) 854-1414 (tel) \* (212) 854-4320 (fax) \* [childpolicyintl@columbia.edu](mailto:childpolicyintl@columbia.edu)