

OLD-AGE AND SURVIVORS INSURANCE (OASI)

Aged. Retired Workers. Survivors of Deceased Workers.

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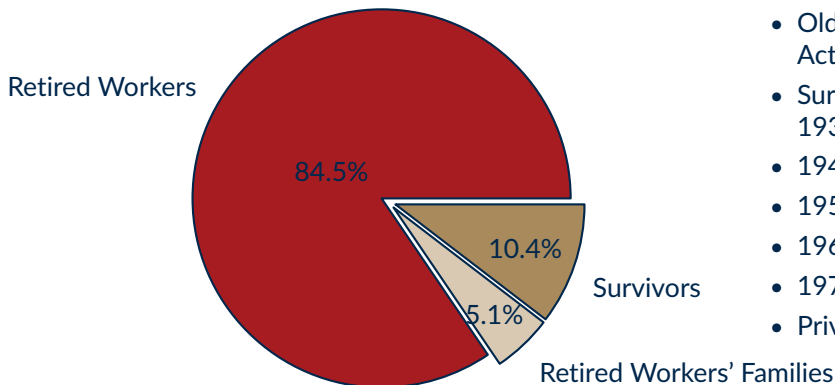
OASI provides cash benefits for retired workers and for survivors of deceased workers.

ELIGIBILITY

- Work for at least 10 years
- Aged 62 or older
- Surviving spouse or eligible child of deceased or retired workers
- Compulsory coverage: Workers may not opt out of the Social Security system

BENEFICIARIES

OASI provides benefits to 56 million recipients (January 2022)



BENEFITS

- Average OASI benefit: \$1,473 (December 2021)
- Benefits depend on earnings history:
↑ earnings → ↑ benefits
- Same benefit formula as SSDI
- Progressive benefit formula (higher replacement rate for low-income workers)
- Delaying claiming benefits (up to 70) increases monthly benefit amount
- Annual cost-of-living adjustments

HISTORY

- Old Age Insurance was created by the Social Security Act of 1935
- Survivors (spouses and children) were added in the 1939 Amendments
- 1940: First payment made: Ida May Fuller for \$22.54
- 1950: Benefits increased
- 1961: Early retirement at age 62
- 1975: Automatic COLAs
- Privatization debate in the 2000s

EXPENDITURES

- OASDI taxes fund Social Security
- 6.2% tax on employees and 6.2% tax on employers
- Maximum earnings subject to OASDI tax is \$147,000 (2022)
- OASI expenditures \$1,001 billion (2021)