United States of America

Exchange rate: Currency is the US dollar ($).

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1935 (social security) and 1972 (social assistance), implemented in 1974.

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Gainfully employed persons, including self-employed persons with at least $400 in annual net income and household employees with at least $2,000 (adjusted according to past increases in average wages) in annual gross income.

Voluntary coverage for employees of state and local governments hired before July 1, 1991, and the clergy.

Special systems for railroad employees, federal employees hired before January 1, 1984, and many employees of state and local governments.

Social assistance: Needy citizens or nationals of the United States who reside in one of the 50 states, the District of Columbia, or the Northern Mariana Islands, and are not absent from the country for a full calendar month or for 30 consecutive days or more.

Source of Funds

Insured person

Social insurance: 6.2% of covered earnings.

The maximum annual earnings used to calculate contributions are $127,200. The maximum earnings used to calculate contributions are automatically adjusted to past increases in average wages.

Social assistance: None.

Self-employed person

Social insurance: 12.4% of covered earnings.

The maximum annual earnings used to calculate contributions are $127,200. The maximum earnings used to calculate contributions are automatically adjusted to past increases in average wages.

Social assistance: None.

Employer

Social insurance: 6.2% of covered payroll.

The maximum annual earnings used to calculate contributions are $127,200. The maximum earnings used to calculate contributions are automatically adjusted to past increases in average wages.

Social assistance: None.

Government

Social insurance: A portion of the revenue from earmarked taxes on social security benefits (paid for by higher income social security beneficiaries) is allocated to the Trust Fund; contributes as an employer for government employees not covered by a special system.

Social assistance: The total cost.

Qualifying Conditions

Old-age pension (social insurance): Age 66 (gradually rising to age 67 in 2027) with at least 40 quarters of coverage.

Quarters of coverage are based on the insured's annual earnings. The minimum amount of earnings to receive one quarter of coverage is $1,300. This amount is adjusted annually according to past increases in average wages.

Early pension: Age 62 with at least 40 quarters of coverage.

Earnings test: From age 62 up to the normal retirement age, employment may continue and a reduced benefit is paid. From the normal retirement age, there is no penalty for continuing to work. This test also applies to dependents.

Deferred pension: The pension may be deferred up to age 70.

Spouse's benefit: Paid to a spouse (same sex or opposite sex) aged 62 or older who has been married to the insured for at least one year before he or she applied for benefits; any age if caring for a child younger than age 16 (no limit if the child receives disability benefits). Generally, a divorced spouse must have been married to the insured for at least 10 years and be currently unmarried. A spouse or divorced spouse is ineligible if he or she receives or is entitled to receive a greater social security benefit based on his or her own earnings record.

Child's benefit: Paid for unmarried children younger than age 18 (age 19 if a full-time elementary or secondary school student, no limit if disabled before age 22). Benefits for stepchildren end upon divorce.

Pensions may be payable abroad to citizens, and to noncitizens under reciprocal agreement. However, noncitizen dependents who were first eligible after 1984 must meet a residency requirement unless an exception applies.

Old-age supplemental income benefit (social assistance, means tested): Age 65 with low income and limited resources. The means test is based on earned and unearned income, including benefits.

Disability pension (social insurance): Must be assessed as incapable of substantial gainful activity as the result of a physical or mental impairment that is expected to last at least a year or result in death. The insured must meet the recent work and duration of work requirements.

A person is assessed as incapable of substantial gainful activity with monthly earnings up to $1,170 (sighted persons) or $1,950 (blind persons).

Recent work requirement: If the disability began before age 24, the insured must have at least six quarters of coverage in the three years before the disability began; from age 24 to 30, the insured must have at least two quarters of coverage for each year from age 21 to the quarter the disability began; at age 31 or older, the insured must have at least 20 quarters of coverage in the 10 years before the disability began.

Quarters of coverage are based on the insured's annual earnings. The minimum amount of earnings to receive one quarter of coverage is $1,300. This amount is adjusted annually according to past increases in average wages.

Duration of work requirement: Must have at least six quarters of coverage if the disability began before age 28, up to at least 38 quarters of coverage if the disability began at age 60.

The qualifying conditions for young and blind persons are less strict.

Earnings test: From age 62 up to the normal retirement age, employment may continue and a reduced benefit is paid. From the normal retirement age, there is no penalty for continuing to work. This test also applies to dependents.

Spouse's benefit: Paid to a spouse (same sex or opposite sex) aged 62 or older who has been married to the insured for at least one year before he or she applied for benefits; any age if caring for a child younger than age 16 (no limit if the child receives disability benefits). Generally, a divorced spouse must have been married to the insured for at least 10 years and be currently unmarried. A spouse or divorced spouse is ineligible if he or she receives or is entitled to receive a greater social security benefit based on his or her earnings record.

Child's benefit: Paid for unmarried children younger than age 18 (age 19 if a full-time elementary or secondary school student, no limit if disabled before age 22).

Pensions may be payable abroad to citizens, and to noncitizens under reciprocal agreement. However, noncitizen dependents who were first eligible after 1984 must meet a residency requirement unless an exception applies.

The disability pension ceases at the normal retirement age and is replaced by an old-age pension.

Disability supplemental income benefit (social assistance, means tested): Must be younger than age 65, blind or assessed with a disability, and have low income and limited resources. The means test is based on earned and unearned income, including benefits. Certain impairment-related work expenses are deductible from income.

Survivor pension (social insurance): The deceased received or was entitled to receive an old-age or disability pension at the time of death. If younger than age 42 at the time of death, the deceased must have had at least six quarters of coverage and the total quarters of coverage must have been at least equal to the deceased's age minus 21.

Eligible survivors include a widow(er) (same sex or opposite sex) aged 60 or older and married to the insured for at least nine months before the death (at least 10 years and did not remarry before age 60 for a divorced widow(er)); a widow(er) at any age if caring for a child younger than age 16 or disabled and receiving social security benefits; a widow(er) with a disability or surviving divorced spouse aged 50 or older with a disability that started before or within seven years of the deceased's death; an unmarried child younger than age 18 (age 19 if a full-time elementary or secondary student, no limit if disabled before age 22); and a dependent parent aged 62 or older, not remarried since the insured's death, and at least 50% dependent on the deceased at the time of death.

Earnings test: Up to the normal retirement age, survivors may continue working and receive a reduced benefit. From the normal retirement age, there is no penalty for working.

Pensions may be payable abroad to citizens, and to noncitizens under reciprocal agreement. However, noncitizen dependents who were first eligible after 1984 must meet a residency requirement unless an exception applies.

Death benefit (social insurance): Paid to the surviving widow(er) (same sex or opposite sex) living with the insured when he or she died. If they were living apart, paid if the surviving widow(er) was receiving benefits on the insured's record or became eligible in the month of the insured's death. If there is no eligible widow(er), the surviving children are eligible if they were receiving benefits on the insured's record or became eligible in the month of the insured's death.

Old-Age Benefits

Old-age pension (social insurance): The pension is based on the average of the insured's 35 highest years of lifetime earnings. The earnings are adjusted according to increases in average wages prior to age 60.

Early pension: The pension is reduced for each month the pension is claimed before the normal retirement age.

Earnings' test: Benefits are reduced by $1 for every $2 of earnings for annual earnings above $16,920 until the year the insured reaches the normal retirement age. Benefits are reduced by $1 for every $3 of earnings above $44,880 in the year the insured reaches the normal retirement age. Beginning the month the insured reaches the normal retirement age, there is no earnings test.

The maximum monthly pension for persons retiring in 2017 at the normal retirement age is $2,687. (A decrease in full maximum benefits occurs when there is no cost-of-living adjustment, but there is an increase in the national average wage index.)

Deferred pension: The pension is increased by 8% for each year of deferral up to age 70.

Spouse's benefit: 50% of the old-age pension is paid to a spouse or divorced spouse who has reached the normal retirement age or is caring for an eligible child. A reduced benefit is paid if the benefit is claimed before the normal retirement age.

Child's benefit: Up to 50% of the old-age pension is paid for each eligible child.

The maximum combined old-age benefits for a family are 100% to 180% of the insured's old-age pension. A divorced spouse's benefit is not counted against the maximum.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Old-age supplemental income benefit (social assistance, means tested): Up to $735 a month is paid for an individual; $1,103 a month for a couple.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Permanent Disability Benefits

Disability pension (social insurance): The pension is based on the insured's average covered earnings (adjusted according to increases in average wages) from age 21 up to the quarter the disability began, excluding up to five years of the lowest earnings.

There is no minimum pension for insured persons whose disability began after 1981.

Spouse's benefit: 50% of the disability pension is paid to a spouse or divorced spouse who has reached the normal retirement age or caring for an eligible child. A reduced benefit is paid if the benefit is claimed before the normal retirement age.

Child's benefit: Up to 50% of the disability pension is paid for each eligible child.

The maximum combined disability benefits for a family are 100% to 150% of the insured's disability pension. A divorced spouse's benefit is not counted against the maximum.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Disability supplemental income benefit (social assistance, means tested): Up to $735 a month is paid for an individual; $1,103 a month for a couple.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Survivor Benefits

Survivor pension (social insurance)

Spouse's pension: 100% of the old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er) or divorced widow(er) who has reached the normal retirement age; 75% to a widow(er) or divorced widow(er) at any age caring for an eligible child; 71.5% to 99% to a widow(er) or divorced widow(er) aged 60 to the normal retirement age; 71.5% to a disabled widow(er) aged 50 to 59.

Earnings' test: Benefits are reduced by $1 for every $2 of earnings for annual earnings above $16,920 until the year the insured reaches the normal retirement age. Benefits are reduced by $1 for every $3 of earnings above $44,880 in the year the insured reaches the normal retirement age.

The pension ceases if the widow(er) remarries before age 60.

Orphan's pension: 75% of the old-age or disability pension the deceased received or was entitled to receive is paid for each eligible child.

Dependent parent's pension: 82.5% of the old-age or disability pension the deceased received or was entitled to receive is paid to one eligible parent; 75% to each parent if there are two eligible parents.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

The maximum combined survivor pension is 100% to 180% of the old-age pension (or 100% to 150% of the disability pension) the deceased received or was entitled to receive. A surviving divorced spouse's benefit is not counted against the maximum.

Death benefit (social insurance): A lump sum of $255 is paid.

Administrative Organization

Social Security Administration (https://www.ssa.gov/), an independent agency within the executive branch of government, administers the programs through regional program centers, district offices, and branch offices.

Treasury Department (https://www.treasury.gov/) supervises the collection of Social Security taxes through the Internal Revenue Service and supervises the payment of benefits and the management of funds.

Sickness and Maternity

Regulatory Framework

First and current laws: 1965 (health insurance for older persons); 1965 (health insurance for low-income persons); 1972 (health insurance for the disabled); 1997 (health insurance for children); 2003 (prescriptions drugs), implemented in 2006; and 2010 (Affordable Care Act), implemented in stages.

Type of program: Social insurance, mandatory private insurance, and social assistance system. Medical benefits only.

Note: There are no national statutory programs for cash sickness and maternity benefits. Workers in industry and commerce in five states (Rhode Island, California, New Jersey, New York, and Hawaii) and Puerto Rico, and agricultural workers in three states (California, Hawaii, and New Jersey) and Puerto Rico are covered for cash sickness benefits. (There is a special federal system for railroad employees.) Private-sector workers in California, New York (starting January 1, 2018), and Rhode Island (and in some cities) and public-and private-sector workers in New Jersey are covered for family leave insurance.

Under the Family and Medical Leave Act of 1993, eligible employees of covered employers may take unpaid, job-protected leave, including continuation of group health insurance coverage, for specified family and medical reasons. Covered employers include all public state, local, and federal agencies, including local education agencies, and most private-sector employers with 50 or more employees.

Medicare (social insurance) consists of: Part A (hospitalization); Part B (medical services); Part D (prescription drug insurance plans); and Part C (Medicare Advantage plans) which may be substituted for Parts A, B, and D because it provides hospitalization, medical services, and prescription drug coverage.

Coverage

Cash sickness and maternity benefits: No statutory benefits are provided.

Medical benefits: Citizens and legal residents of the United States.

Special systems for some employees of state and local governments.

Source of Funds

Insured person

Medicare Part A (social insurance): 1.45% of earnings plus 0.9% of annual earnings above $200,000 (single person) or $250,000 (married couple). Those enrolled in Medicare Part A pay monthly premiums based on quarters of coverage: no premium with 40 quarters of coverage; $227 for 30 to 39 quarters; $413 with less than 30 quarters.

There are no maximum earnings used to calculate contributions for Medicare Part A.

The insured person's contributions for Medicare Part A also finance the hospitalization benefits provided under Medicare Part C.

Medicare Part B (social insurance): Medicare Part B beneficiaries pay $134 a month for annual income up to $85,000 (single person) or $170,000 (married couple). Premiums for annual income over $85,000 (single person) or $170,000 (married couple) range from $187.50 to $428.60 a month, according to income level. (There is a late enrollment penalty of 10% of the premium for each full 12-month period that an individual was eligible but did not enroll.) Low-income persons may be eligible for premium or cost-sharing subsidies.

Medicare Part C (social insurance): See source of funds for Medicare Part A for hospitalization benefits. Medicare Part C beneficiaries pay a monthly premium that varies according to the plan. (The average monthly premium in 2017 is $31.40.

Medicare Part D (social insurance): Medicare Part D beneficiaries pay a monthly premium that varies according to the plan. Persons with income above $85,000 a year (single person) or $170,000 a year (married couple) pay an additional amount directly to the government that ranges from $13.30 to $76.20 a month, according to income level. (There is a late enrollment penalty based on the number of full uncovered months of coverage.) Low-income persons may be eligible for premium or cost-sharing subsidies.

Affordable Care Act (mandatory health insurance): Premiums vary according to the plan. (There is an annual penalty for not having coverage.)

Medicaid and Children's Health Insurance Program (CHIP) (social assistance): None.

Self-employed person

Medicare Part A (social insurance): 2.9% of declared earnings plus 0.9% of annual earnings above $200,000 (single person) or $250,000 (married couple). Those enrolled in Medicare Part A pay premiums based on the quarters of coverage: no premium with 40 quarters of coverage; $227 for 30 to 39 quarters of coverage; $413 with less than 30 quarters of coverage.

There are no maximum earnings used to calculate contributions for Medicare Part A.

The self-employed person's contributions for Medicare Part A also finance the hospitalization benefits provided under Medicare Part C.

Medicare Part B (social insurance): Medicare Part B beneficiaries pay $134 a month for annual income up to $85,000 (single person) or $170,000 (married couple). Premiums for annual income over $85,000 (single person) or $170,000 (married couple) range from $187.50 to 428.60 a month, according to income level. (There is a late enrollment penalty of 10% of the premium for each full 12-month period that an individual was eligible but did not enroll.) Low-income persons may be eligible for premium or cost-sharing subsidies.

Medicare Part C (social insurance): See source of funds for Medicare Part A for hospitalization benefits. Medicare Part C beneficiaries pay a monthly premium that varies according to the plan. (The average monthly premium in 2017 is $31.40.)

Medicare Part D (social insurance): Medicare Part D beneficiaries pay a monthly premium that varies according to the plan. Persons with income above $85,000 a year (single person) or $170,000 a year (married couple) pay an additional amount directly to the government that ranges from $13.30 to $76.20 a month, according to income level. (There is a late enrollment penalty based on the number of full uncovered months of coverage.) Low-income persons may be eligible for premium or cost-sharing subsidies.

Affordable Care Act (mandatory health insurance): Premiums vary according to the plan. (There is an annual penalty for not having coverage.)

Medicaid and CHIP (social assistance): None.

Employer

Medicare Part A (social insurance): 1.45% of payroll.

There are no maximum earnings used to calculate contributions for Medicare Part A.

The employer's contributions for Medicare Part A also finance the hospitalization benefits provided under Medicare Part C.

Medicare Part B (social insurance): None.

Medicare Part C (social insurance): See source of funds for Medicare Part A.

Medicare Part D (social insurance): None.

Affordable Care Act (mandatory health insurance): None.

Medicaid and CHIP (social assistance): None.

Government

Medicare Part A (social insurance): The total cost for certain noninsured elderly persons; contributes as an employer for government employees not covered by a special system.

Medicare Part B (social insurance): A portion of the revenue from earmarked taxes on social security benefits; and subsidies.

Medicare Part C (social insurance): Annual payments to participating companies.

Medicare Part D (social insurance): Subsidies from general revenues, as needed. State governments pay a portion of the cost for certain workers also covered under certain state assistance programs.

Affordable Care Act (mandatory health insurance): Provides tax credits to small businesses and to persons with income from 100% to 400% of the federal poverty level; subsidizes insurance plans for persons with income from 100% to 250% of the federal poverty level.

The federal poverty level is based on annual gross family income and ranges from $12,060 for one person to $41,320 for a family of eight. (For families/households with more than eight persons, the level rises by $4,180 a year for each additional person.)

Medicaid and CHIP (social assistance): Jointly funded by individual states and the federal government.

Qualifying Conditions

Cash sickness and maternity benefits: No statutory benefits are provided.

Medical benefits

Medicare Parts A and B (social insurance): Age 65; younger than age 65 with a disability and receiving a disability pension for at least two years (no waiting period for persons with end-stage renal disease or ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's Disease)).

Medicare Part C (social insurance): Same as for Parts A and B. Persons with end-stage renal disease who are new to Medicare usually are excluded.

Medicare Part D (social insurance): Must be entitled to Medicare Parts A, B, or C.

Affordable Care Act (mandatory health insurance): Most citizens and legal residents of the United States must have qualifying health care coverage and access to certain free preventive services. Medicare and Medicaid are considered qualifying health care coverage.

Medicaid (social assistance): States set individual eligibility criteria within federal minimum standards. Many states have expanded coverage, particularly for children, above the federal minimums. For many eligibility groups, income is calculated in relation to a percentage of the federal poverty level, depending on the size of the family.

The federal poverty level is based on annual gross family income and ranges from $12,060 for one person to $41,320 for a family of eight. (For families/households with more than eight persons, the level rises by $4,180 a year for each additional person.)

CHIP (social assistance): Uninsured children up to age 19 in families with incomes too high to qualify them for Medicaid. States set their own income eligibility standards, and eligibility varies across states.

Sickness and Maternity Benefits

No statutory benefits are provided.

Workers' Medical Benefits

Medicare Part A (social insurance): Inpatient care is provided for stays of up to 90 days (may be extended by up to 60 days): the beneficiary has a deductible of $1,316 and no copay for up to 60 days; $329 a day for the 61st to the 90th day; and $658 a day for more than 90 days for up to 60 lifetime reserve days. (The insured pays all costs once the 60 lifetime reserve days are exhausted.) Post-hospital skilled nursing facility care is provided for an additional 100 days (the patient pays $164.50 a day for the 21st to the 100th day), laboratory and X-ray services for inpatients, and post-hospital home health services.

Medicare Part B (social insurance): Most preventive care services are free. 80% of medically necessary charges above $183 a year is paid for physician's services, outpatient diagnostic and physical therapy, laboratory services, appliances, and transportation.

Medicare Part C (social insurance): Benefits are at least the same as for Parts A and B and usually include a prescription drug component. Copayments, deductibles, and annual out-of-pocket maximums vary according to the plan.

Medicare Part D (social insurance): The maximum allowable deductible is $400 a year; some plans do not have a deductible. The plan and the insured share the cost of prescription drugs, up to a combined limit of $3,700 a year. The insured pays a higher percentage of the combined total cost of prescription drugs from $3,700 to $4,950. (That percentage is gradually falling from 40% of the cost (brand-name prescription drugs) or 51% (generic) in 2017, to 25% (brand-name or generic) in 2020.) For the rest of the calendar year, insured persons who have reached the limit have a minimum copay that varies according to the type of drug.

Affordable Care Act (mandatory health insurance): Individuals without employer-provided health insurance can choose (through health insurance marketplaces run by the federal government or certain state governments) among plans that meet certain benefit and cost standards. Small businesses can purchase coverage through separate marketplaces. Certain provisions are still being implemented.

Benefits include a free basic package of preventive health services. Private insurance may not exclude pre-existing conditions or apply annual or lifetime limits on the dollar value of coverage. Companies may not rescind coverage except in cases of fraud.

Medicaid and CHIP (social assistance): States determine the type, amount, duration, and scope of services within broad federal guidelines. States have the option to charge premiums and to establish out of pocket spending (cost sharing) requirements for Medicaid.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

For Medicare, the insured's spouse, divorced spouse, or widow(er) may be eligible under certain conditions. For the Affordable Care Act, eligible dependents include children up to age 26.

Administrative Organization

Social insurance (Medicare)

Department of Health and Human Services (https://www.hhs.gov/) provides general supervision.

Centers for Medicare and Medicaid Services (CMS) (https://www.cms.gov/) administer the program in cooperation with the Public Health Service, the Social Security Administration, and state health departments.

Treasury Department (https://www.treasury.gov/) supervises the collection of Medicare taxes through the Internal Revenue Service.

Private carriers and public agencies, under contract as intermediary administrative agents, determine and make payments to service providers or to patients.

Carriers either pay medical service providers directly or partially reimburse the insured.

CMS contracts with individual companies that provide prescription drugs directly to the insured.

Mandatory health insurance (Affordable Care Act)

Department of Health and Human Services (https://www.hhs.gov/) provides general supervision.

Private health insurance companies provide health insurance.

Social assistance (Medicaid and CHIP)

Department of Health and Human Services (http://www.hhs.gov/) through the Centers for Medicare and Medicaid Services (CMS) (http://www.cms.gov) provides general supervision.

Center for Medicaid and CHIP Services (https://www.medicaid.gov/) oversees the programs.

Individual states administer their own programs.

Work Injury

Regulatory Framework

First laws: 1908 (federal employees) and 1911 (nine state laws).

Current laws: Most laws were enacted before 1920.

Type of program: Employer-liability system.

Coverage

Most public- and private-sector employees. (All states, Puerto Rico, District of Columbia, Guam, and U.S. Virgin Islands).

Exclusions: Household workers, agricultural employees, some small businesses, casual labor, and self-employed persons.

Special system for coal miners who develop pneumoconiosis.

Source of Funds

Insured person: Nominal contributions in a few states.

Self-employed person: Not applicable.

Employer: The total cost (most states) or most of the cost is financed through either insurance premiums varying with the assessed degree of risk or self-insurance. (The average cost in 2014 was 1.35% of payroll.)

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease.

Temporary Disability Benefits

In most states, 66.6% of the employee's earnings is paid after a three- to seven-day waiting period. Benefits are paid retroactively if the disability lasts for a specified period, from five days to six weeks.

Dependent's supplement: Paid in about 20% of all states, in some instances as a lump sum.

The maximum weekly benefit varies by state.

Benefit adjustment: About 80% of all states increase benefits automatically according to increases in state wages.

Permanent Disability Benefits

66.6% of the employee's earnings is paid for a total disability for the duration of the disability (in most states).

Partial disability: A reduced pension is paid according to the assessed loss of earning capacity, or at the full rate for fewer weeks for certain injuries.

Constant-attendance supplement: Paid in some states if the employee requires the constant attendance of others to perform daily functions. The supplement is paid for life or for the duration of the disability (80% of all states); or for 104 to 500 weeks (in some states).

Dependent's supplement: Paid for life or the duration of the disability (in 80% of all states); or for 104 to 500 weeks (in some states).

Workers' Medical Benefits

All states provide medical care for as long as required.

Survivor Benefits

Survivor pension: 35% to 70% of the deceased's earnings is paid to the widow(er); 60% to 80% with dependent children.

Other eligible survivors (in some states) include dependent parents, brothers, and sisters.

Funeral grant: A lump sum is paid. The amount varies by state.

Administrative Organization

State workers' compensation agencies administer the employer liability program in about 50% of all states, state departments of labor administer the program in about 37.5% of all states, and courts administer the program in three states.

Employers must insure with the state fund in four states; with the state fund or a private carrier in 19 states; or with a private carrier in the remainder. In all but two states, certain employers may choose to self-insure.

Unemployment

Regulatory Framework

First and current federal law: 1935 (social security).

First and current state laws: All states, Puerto Rico, U.S. Virgin Islands, and District of Columbia have separate laws creating their own programs. State laws were first enacted between 1932 and 1937.

Type of program: Social insurance system.

Coverage

Public- and private-sector workers, military personnel, most agricultural employees, and household workers.

Exclusions: Some agricultural employees, employees of religious organizations, casual employees, family labor, and self-employed persons.

Special federal system for railroad employees.

Source of Funds

Insured person: None, except in Alaska, New Jersey, and Pennsylvania.

Self-employed person: Not applicable.

Employer

Federal program: 0.6% of annual payroll. (The full amount is 6.0% of annual payroll, but there is a 5.4% credit if states meet all federal requirements.)

The maximum annual earnings used to calculate contributions are $7,000.

State programs: 5.4% of annual payroll (actual rates vary from zero to more than 10% according to an employer's experience of having workers claim unemployment benefits.)

The maximum annual earnings used to calculate contributions vary from $7,000 to $45,000 according to the state.

Government: Federal tax revenue finances federal and state administrative costs.

Qualifying Conditions

Most states require minimum earnings in the base period equal to a specified multiple of the weekly benefit amount or high-quarter wages, or a specified total amount of wages in the base period. A few states require a specified number of weeks of employment (for example, from 18 to 20 weeks). One state requires a certain number of hours of work.

Must be registered with the employment service, capable of and available for work, and actively seeking work. Will generally be disqualified for voluntarily leaving a job without good cause, being discharged from employment for misconduct, or refusing an offer of suitable work. May be disqualified for participating in a labor dispute.

Dependent's supplement: A supplement is paid to dependents in about 25% of states.

Unemployment Benefits

About 50% of the insured's earnings is paid after a one-week waiting period, for up to 26 weeks in most states.

Dependent's supplement: From $1 to $154 a week is paid for each eligible child and sometimes for other dependents.

Federal law provides for up to 20 additional weeks of benefits in states with high levels of unemployment.

Some states provide income assistance to unemployed workers who have insufficient periods of covered employment or have exhausted their unemployment benefits and are participating in training programs.

Administrative Organization

Department of Labor (https://oui.doleta.gov/unemploy/) administers the program nationally through its Employment and Training Administration and Office of Unemployment Insurance.

Treasury Department (https://www.treasury.gov/) supervises the collection of federal Unemployment Insurance contributions through the Internal Revenue Service.

State workforce agencies administer individual state unemployment programs and pay benefits.

Family Allowances

Regulatory Framework

Some 80 different means-tested programs administered and funded by federal, state, and local governments provide cash payments, social services, educational assistance, housing assistance, vocational training, medical assistance, energy and utility assistance, child care, and child development programs.

The Earned Income Tax Credit provides a refundable tax credit through the federal tax system to working individuals or families with low to moderate income. The refund varies according to income, marital status, and the number of children and ranges from up to $510 a year with no children and annual income up to $15,010 (single person) or $20,600 (married couple), to up to $6,318 a year with at least three children and annual income up to $48,340 (single) or $53,930 (married).