

Social Security TIMELINE

A Call for Old-Age Benefit in U.S.

→ 1912 →

The Progressive Party platform calls for a system of social insurance to protect against the hazards of illness, irregular employment and old age. In the 1920s, Montana's old-age pension law is the first state law to withstand the test of constitutionality. Old-age assistance laws in Pennsylvania and Nevada are declared unconstitutional.



Franklin Roosevelt signs the Social Security Act

Photo: Wikimedia Commons

Roosevelt Signs Social Security Act

→ 1935 →

President Franklin Roosevelt signs the Social Security Act, originally designed to provide economic security during the Depression, to aid the jobless, elderly and children. It creates a system to provide financial benefits to retired workers in commerce or industry, except railroad workers, ages 65 or older. A payroll tax, which becomes the Federal Insurance Contribution Act (FICA), starts at 2 percent to pay for the program.



Sample Social Security card

Photo: Wikimedia Commons

35 Million Cards Issued

→ 1936 →

The U.S. Postal Service begins distributing applications for Social Security account numbers. The lowest number, 001-01-0001, goes to Grace Dorothy Owen of Concord, N.H. Over the next year, more than 35 million cards are issued.

List of Eligible Recipients Expanded

→ 1939 →

The program is expanded to provide benefits for the children and spouses of retirees, as well as for the survivors of workers who died in their productive years. This began the transformation of Social Security into a family insurance program. Lump-sum payments are replaced with a monthly payment system.

First Retirement Check Received

→ 1940 →

Ida May Fuller, a retired legal secretary, receives the first monthly retirement check for \$22.54. About 222,400 people receive Social Security benefits.

'Cost-of-Living' Adjustments Approved

→ 1950 →

President Harry Truman signs Social Security amendments that in part enact the first "cost-of-living-adjustment" to offset the effects of inflation on fixed Social Security incomes. All future increases require special approval from Congress. In 1972, a new law requires automatic adjustments each year to keep up with inflation.



Harry Truman

Photo: Library of Congress

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Benefits Coverage Expanded

1950s

Benefits coverage is extended to farm workers, domestic workers, self-employed people, the armed forces, and some state and local government employees. In 1956, Congress establishes a cash benefit program for disabled workers age 50 or older, and two years later, dependents of disabled workers became eligible.

Early Retirement Option Offered

1961

President John Kennedy approves new amendments that in part allow male workers to choose reduced retirement benefits at age 62. Women received the early retirement option in 1956.



John Kennedy

Photo: Wikimedia Commons

Medicare Program Created

1965

Congress establishes a comprehensive health insurance program for the elderly. Medicare, which receives a portion of Social Security payroll taxes, is extended to cover disabled people in 1972.

Initial Warnings of Insolvency

1980s

More than 35 million people receive payments in 1980. Major growth in the program leads to warnings about a future funding crisis. A national commission is appointed to study the program's financial problems and recommend reforms. In 1983, its recommendations are enacted: an increase in the self-employment tax, partial taxation of benefits to wealthier retirees, coverage of all federal employees; and a gradual increase in the retirement age from 65 to 67, starting in 2000.

Uncertain Future for Social Security

2000s

Debate over the future of Social Security intensifies, but reform efforts fall short because of the issue is a political minefield. In 2002, President George W. Bush pushes for partial privatization, but the plan quickly dies. Bipartisan commissions are appointed, but no major action is taken. In 2010, a significant threshold is reached when the system pays out more in benefits than it receives in payroll taxes.



George W. Bush discusses Social Security at the James Lee Community Center, Falls Church, VA, 2005

Photo: Wikimedia Commons