



Submission by **Agewell Foundation USA, Inc.**

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Social Protection and Social Security

In USA more than 50 million people depend on Social Security benefits for part or all of their income during retirement. Although most working Americans do not plan on funding their retirements solely with Social Security income, it is a necessary source of income. Without their monthly Social Security payments, many seniors would need financial help for basic necessities.

According to ILO Recommendation 202, national social protection floors should, among its minimum components, at least guarantee basic income security in old age (para. 5 (d)). By doing so, national social protection floors have the potential to help reduce older persons' vulnerabilities, enabling them to enjoy their rights.

Social Security is the primary source of retirement income for older minorities with nearly one third of older African-Americans and Hispanics relying on it for more than 90% of the income that their families receive. Social Security keeps approximately 30% of older African-Americans and Hispanics and 20% of older Asians out of poverty. Nonetheless, high poverty rates persist among these groups.

Several states have recently created state-sponsored retirement savings plans for employees of small businesses, and many other states are considering doing the same. A key element in the design of such plans is the decision whether to provide a minimum level of guaranteed returns to savers. Continued concerns about retirement security—as well as lingering apprehension from the 2007–09 financial crisis, which showed just how quickly assets accumulated over a lifetime can lose their value - are behind the desire for guaranteed returns.

Social Security Benefits in USA and Social Protection Floors

Retirement Benefits

Retirement benefits are what typically come to mind when most people think of Social Security. Such benefits are available for people 62 or older who have worked at least 10 years.

Disability Benefits

Disability benefits support people who cannot work because of disabilities.

Survivors Benefits

Survivors' benefits can help bridge financial gaps for survivors of workers and retirees. Eligible recipients typically include help for widows and widowers, divorced spouses and children.

Agewell Foundation USA Inc.

62 W 47th ST STE 707, New York, NY 10036, agewellfoundationusa@gmail.com, www.agewellfoundationusa.org

Supplemental Security Income Benefits

Supplemental Security Income (SSI) helps people who are unable to earn sufficient wages on their own. It is available to adults with disabilities, children with disabilities and people 65 or older. Individuals with enough work history may be eligible to receive SSI in addition to disability or retirement benefits.

Without income security, older persons, particularly older women, are at increased risk of seeing their rights violated. As the proportion of older women outnumbers that of older men, universal pension systems might be the most gender sensitive



response. Gender discrimination might limit the ability of women to influence decision-making processes and as a result, exclude them from being beneficiaries of targeted pensions. In universal schemes, men and women receive the same level of benefits irrespective of their years in the formal labor market, thus recognizing the contributions women make in unpaid work such as care giving.

Ensuring basic income security in old age is closely linked to programs on the right to the highest attainable standard of health by older persons. Expenses for health care and medicines may account for as much as three quarters of the income of the poorest groups. Under those circumstances, the positive impact of social protection guarantees on older persons' standards of living can be nullified by the burden of healthcare-related costs. For that reason, there should be coordination between programs aiming to ensure basic income security and programs aiming to ensure the right to health.

Social protection floors can contribute significantly to gender equality and the realization of minimum essential levels of the rights to social security, food, health and education, especially for marginalized elderly.



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