

**H.R.0191: A bill to amend the Internal Revenue Code of 1986 to repeal the inclusion in gross income of Social Security benefits. Sponsor: Rep Paul, Ron [TX-14] (introduced 1/4/07)
Cosponsors (7)**

SSA WAGE CREDITS UPDATE 01: The earnings of people who serve in the military services on active duty or active duty for training have been covered by Social Security since 1957. Inactive duty service in the armed forces reserves [such as weekend drills] has been covered since 1988. However, people who served in the military before 1957 did not pay into SS directly. Veteran's records are credited with special earnings [wage credits], depending on when they served which for SS purposes count toward any benefits that might be payable. Those in the military service from 1957 on paid SS taxes the same way as civilian employees do. Those taxes are deducted from you pay and an equal amount is paid by the U.S. government as your employer. You must have credit for a certain amount of work covered by SS before any benefits can be paid on your record. The number of credits you need to qualify for benefits depends on your age and the type of benefit you might be eligible for. Nobody needs more than 40 credits. In some cases you can qualify with less than 40 credits. The amount you get from SS depends on earnings averaged over much of your working lifetime. Generally, the higher the earnings, the higher your benefits.

The wage credits for military personnel can help you qualify for SS or increase the amount of your benefit. Credits are granted for periods of active or active duty training only. Social Security cannot add extra wage credits to your earnings record until you file for SS benefits.

. Wage credits are granted for Service in 1978 to 2001. For every \$300 in active duty basic pay, you are credited with an additional \$100 in earnings up to a maximum of \$1200 per year. If you enlisted after 7 SEP 80, and didn't complete at least 24 months of active duty or your full tour, you may not be able to receive the additional earnings.

. Service in 1957 thru 1977. You are credited with \$300 in additional earnings for each calendar quarter in which you received active duty basic pay.

. Service in 1940 thru 1956. For military service inclusive of time spent in a military academy your record may be credited with \$160 a month in earnings from 16 SEP 1940 thru 1956 under the following circumstances

(1) You were honorably discharged after 90 or more days of service, or you were released because of a disability or injury received in the line of duty; or

(2) You are still on active duty; or

(3) You are applying for survivor's benefits and the veteran died while on active duty.

You cannot receive credits if you're already receiving a federal benefit based on the same years of service unless you were on active duty after 1956. In this situation you are eligible to receive the credit for 1951 thru 1956 even if you are drawing a military retirement based on these years. Congress ended wage credits JAN 02 under Public Law 107-117 NDAA after deciding that service members are better paid today and that wage credits were losing their importance and value.

Every applicant for SS benefits is asked to note their or their sponsor's military service on the application and to show proof, either a DD 214 or W-2. If a person has difficulty in producing those documents SSA will assist them by contacting the armed services and requesting some kind of verification of military wages. Every veteran or military widow drawing Social Security today might want to check with SSA to verify if the wage credits were used in setting benefits, not just noted on an application. You are entitled to reimbursement from the time you started drawing SS and to an increase in your monthly SS check if the wage credits were not used in computing your entitlement. You can get both SS and military retirement. Generally there is no offset for SS benefits because of your military retirement with the exception of SBP. You'll get your full SS benefit based on your earnings.

However, your benefit may be reduced if you also receive a government pension you didn't pay SS taxes. This is covered in SS Pub No. 05-10045. Use www.socialsecurity.gov to access SS information on the Internet. [Source: Various Jan 07 ++]