

Assignment: Social Security Web Quest

Instructions: Complete Parts I, II & III using the websites referenced. You will answer the questions in Word, using complete sentences. Use Excel to complete Part II.

Background: Social security tax is a federal tax paid for old-age, survivors, and disability insurance. Social security taxes are paid by both employees and employers. Social security tax is calculated on employee earnings up to a maximum amount paid in a calendar year (known as a tax base).

Part I: History of Social Security:

Visit the Social Security Administration's website to answer the following questions.

www.ssa.gov

1. When was the social security program established? What was the purpose of establishing it?
2. Since its inception, what are the total social security payments that have been made to beneficiaries?
3. The social security program is not currently in long-range actuarial balance, which means it is not projected to have sufficient income to pay all promised benefits over the next 75 years. What do you think should be done to promote the future of the social security program?

Part II: Taxes in U.S. History: Calculating Taxes:

1. Visit the site:

http://www.irs.gov/app/understandingTaxes/whys/thm02/les04/ac2_thm02_les04.jsp

2. Answer the questions on the website, assuming 52 weeks in a year. Check your answers for accuracy. Check your answers and print out your results. You will need this printout to do the next step

3. Create a table in Excel that compares the following information for the 1937 and 2007 salary information:

- a) Annual Gross Earnings
- b) Weekly Gross Earnings
- c) Annual Net Earnings
- d) Weekly Net Earnings
- e) FICA Tax %
- f) Annual FICA Tax Withheld (in \$)
- g) Weekly FICA Tax Withheld (in \$)

Part III: Understanding Social Security Numbers:

Visit the site : <http://www.ssa.gov/history/ssn/geocard.html> and answer the following questions:

How many numbers make up each Social Security number? _____

1) What part of the Social Security number contains only 2 numbers and ranges from 01 to 99?

A. group number

B. area number

C. serial number

2) Before 1972, what did the Area Number represent? _____

3) After 1972, what did the Area Number represent? _____

4) Of the 3 parts to a social security number, what part of the Social Security is four digits long?

6) What is the range of area numbers for Social Security numbers assigned to Connecticut?
(Hint: search the website for “Social Security Number Allocations”)