

9 Facts About Social Security

Social Security has been a fact of retirement life ever since it was established in 1935. We all think we know how it works, but how much do you really know? Here are nine things that might surprise you.

1. The Social Security trust fund is huge. It was \$2.8 trillion at the end of 2023.¹
2. Most workers are eligible for Social Security benefits, but not all. For example, until 1984, federal government employees were part of the Civil Service Retirement System and were not covered by Social Security.²
3. You don't have to work long to be eligible. If you were born in 1929 or later, you need to work for 10 or more years to be eligible for benefits.³
4. Benefits are based on an individual's average earnings during a lifetime of work under the Social Security system. The calculation is based on the 35 highest years of earnings. If an individual has years of low or no earnings, Social Security may count those years to bring the total years to 35.⁴
5. There haven't always been cost-of-living adjustments (COLA) in Social Security benefits. Before 1975, increasing benefits required an act of Congress; now, increases happen automatically, based on the Consumer Price Index. There was a COLA increase of 2.5% for 2025, but there was an increase of 3.2% in 2024.⁵
6. Social Security is a source of retirement income for 91% of current retirees.⁶
7. Social Security benefits are subject to federal income taxes – but it wasn't always that way. In 1983, Amendments to the Social Security Act made benefits taxable, starting with the 1984 tax year.⁷
8. Social Security recipients received a single lump-sum payment from 1937 until 1940. One-time payments were considered “payback” to those people who contributed to the program. Social Security administrators believed these people would not participate long enough to be vested for monthly benefits.⁸
9. In January 1937, Earnest Ackerman became the first person in the U.S. to receive a Social Security benefit – a lump sum of 17 cents.⁸

1. SSA.gov, 2025

2. Investopedia.com, May 15, 2024

3. SSA.gov, 2025

4. SSA.gov, 2025

5. SSA.gov, 2025

6. EBRI.org, 2025

7. SSA.gov, 2025

8. SSA.gov, 2025

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