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# **Income Assistance**

# SOCIAL SECURITY

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## Program Description:

Social Security is the nation's basic method of assuring a continuing income for a person and his/her family when their earnings stop or are reduced because of death, disability or retirement.

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## Eligibility Requirements:

To qualify a person must work at a job where social security taxes are deducted from his/her pay.

## Work Credit

Ten years of coverage (40 quarters) will fully insure the worker and his or her family for life, but less than that may also be enough for full coverage if the worker has achieved a certain amount of work credit. The work credit requirement varies depending on the type of benefit and the age of the worker. The nearest Social Security Administration office can answer questions regarding necessary work credit in specific cases.

## Surviving Spouse

A surviving spouse 60 years of age or over (or 50 years of age or over and severely disabled) may receive benefits based on the earnings of the deceased spouse. Such benefits will generally amount to 100% of what the deceased worker would have received if taken at age 65, or 71% if taken at age 60.

If a surviving spouse receives benefits before age 62, s/he may receive benefits after attaining age 62 based on his/her own work record. This would be done if the benefits based on his/her own record were higher. However, there will be a reduction in benefits received on his/her own account because of receiving widow's benefits before reaching 62 \*. A surviving spouse may wait until attaining age 62 and claim benefits on his/her own account. Full benefits can only be received on one's own account by waiting until age 65. Lastly, a surviving spouse may collect survivor's benefits at age 62 and receive the full benefit on his/her own record at age 65.

\* persons born after 1/1/28 no longer get reduced.

## Retired Worker's Spouse

A spouse of a retired worker may receive benefits based on the worker's earning record or his/her own work record, whichever is higher. Benefits based on the worker spouse's earnings record will be about one-half of the benefit amount. Reduced benefits may be received at age 62. Benefits are reduced for each month of retirement prior to attaining

65 years of age. Full benefits may be received at age 65. A spouse may not collect on the worker spouse's earnings record unless both spouses are retired.

### Divorced Spouse

A divorced spouse may receive benefits in the same manner as a married spouse. The marriage must have lasted at least 10 years. The divorced spouse may collect on his/her own account or the former spouse's earning record, whichever is higher. Reduced benefits may be received at age 62 and full benefits at age 65. Benefits are permanently reduced for each month of retirement prior to attaining 65 years of age.

### Disability Benefits

In order to qualify for disability benefits, a worker must be under age 65 and unable to engage in any substantial or gainful employment owing to a physical or mental impairment that is expected to result in death or has lasted, or is expected to last, for at least 12 months.

### Automatic Statements

Beginning in October of 1999, the Social Security Administration began issuing automatic statements to individuals age 25 and older who have social security covered wages and who are not already collecting a social security benefit. These statements will be mailed annually 3 months prior to the individuals birthdate.

### Social Security Estimates and Pamphlets

The amount a worker or his/her family could receive in benefits depends on the worker's average yearly earnings under Social Security. If a person wishes to determine what he/she could receive, form number SSA 7004, entitled "Request for Earnings and Benefit Estimate Statement", can be obtained at any Social Security Administration office. Numerous pamphlets about the programs administered by Social Security can also be obtained. Pamphlets and forms are also available by calling 1-800-772-1213 or via SSA's website at [WWW.SSA.GOV](http://WWW.SSA.GOV)

### Retirement Age Increase

The full retirement age will be increasing from the current age of 65 to age 67. This increase will occur over a period of 22 years. This new retirement age affects individuals born 1938 and later. The full retirement age of 67 affects those born 1960 and later. Early retirement can still be collected at 62. To learn more about this and how it may affect you contact your local Social Security office or call 1-800-772-1213.

### Income Tax on Social Security Benefits

For most retirees, Social Security benefits are tax free. However, beginning with the 1985 tax year, some benefits became subject to income tax. Single individuals are subject to the tax if their total income, including non-taxable interest plus half their

social security, totals over \$25,000 (the “base amount”). For couples filing a joint return, the base amount is \$32,000. Taxes at the normal rates will be levied on either half the social security benefit or half the difference between the base amount and the figure arrived at by the calculation described above, whichever is less.

### Working After Retirement

After retirement, many older persons may want or need to continue to work. It is important to know how income may affect Social Security benefits. In 1999, the yearly limit on earnings for individuals 62 - 64 is \$10,080. For ages 65-70 the yearly limit is \$17,000 and after age 70 there is no limit to earnings. The basic rule - for 65 and older to age 70 - is that \$1 in benefits is withheld for each \$3 earned above the exempt amount. In 2000, if the person is under 65, \$1 for every \$2 earned is withheld. Generally, only income from a job or self-employment counts as earnings.

### Lump Sum Death Benefit

If an insured worker has a surviving spouse or dependent children, there may be entitlement to a lump-sum death benefit in the amount of \$255.

### How To Reach The Social Security Administration

The nearest Social Security Administration office can provide answers to most questions regarding Social Security. Telephone numbers of Social Security offices are listed in the blue pages of your telephone directory under “U.S. Government, Social Security Administration.” A partial list of Social Security offices and telephone numbers appears on the following page.

### If You Disagree With Their Decision

Anyone has the right to appeal a denial, termination or reduction of benefits, or an attempt by the Social Security Administration to recoup an alleged overpayment. A description of the Appeals Procedure appears in the **Social Security - Appeals Procedure** section of this Manual.

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#### **For More Information Contact:**

Social Security Offices are listed on the following page, or locate the Social Security office listed in the blue pages of your phone book under U.S. Government, Social Security Administration, or call toll-free at 1-800-772-1213 for updated phone numbers and addresses.

## U.S. SOCIAL SECURITY ADMINISTRATION

### DISTRICT AND BRANCH OFFICES IN CONNECTICUT

#### Ansonia

307 Main St., 06401  
Phone: (203) 735-6201

#### Bridgeport

3885 Main St., 3<sup>rd</sup> Floor  
06606  
Phone: (203)365-8452

#### Bristol

225 North Main St.  
Room 400, 06010  
Phone: (860)584-2716

#### Danbury

131 West Street, 06810  
Phone: (203) 748-3569

#### East Hartford

580 Burnside Ave., 06108  
Phone: (860) 290-5420

#### Hartford

One Corporate Center  
20 Church St., Suite 900  
06103-3201  
Phone: (860) 493-1857

#### Meriden

Comtech Center  
470 Murdock Avenue,  
06450  
Phone: (203) 238-0346

#### Middletown

425 Main Street, 3<sup>rd</sup> floor  
06457  
Phone: (860) 347-8562

#### New Britain

100 Arch Street, 06050  
Phone: (860) 229-4844

#### New Haven

150 Court Street  
Room 325A, 06510  
Phone: (203) 773-5201

#### New London

2 Shaw Cove, Rm 203  
06320  
Phone: (860)443-8455

#### Norwich

Thames Plaza, 3<sup>rd</sup> floor  
101 Water Street, 06360  
Phone: (860) 886-7118

#### Norwalk

24 Belden Avenue, 5<sup>th</sup> flr  
06850  
Phone: (203) 849-1911

#### Stamford

2 Landmark Square  
Suite 105, 06901  
Phone: (203) 359-0030

#### Torrington

147 Litchfield St.  
06790  
Phone (860)489-1633

#### Waterbury

14 Cottage Place  
Federal Building, Rm 255,  
06702  
Phone: (203) 756-7476

#### Willimantic

54 North Street, 06226  
Phone: (860)423-6386

# SOCIAL SECURITY - APPEALS PROCEDURE

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## **Program Description:**

How to Appeal Benefits.

1. Within 60 days after receiving notice of a Social Security action with which the claimant disagrees, the claimant may file a written request for “reconsideration” with the Social Security Administration (SSA). SSA will mail the claimant a written statement of its decision.
2. If not satisfied with the reconsideration decision, the claimant may file a written request within 60 days for a formal hearing before an Administrative Law Judge. Following this hearing, SSA will mail the claimant a written hearing decision.
3. If still not satisfied with SSA’s decision, the claimant may file within 60 days a written request for a review by the SSA Appeals Council. (The Appeals Council may also, on its own motion, review and reverse a favorable decision by an Administrative Judge).
4. If the Appeals Council refuses to review or reverses a previous favorable decision, the claimant may appeal the case to a court by filing an action in the United States District Court. The decision of the federal district court, if adverse, is subject to review under regular federal appellate procedure.

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## **Eligibility Requirements:**

Social Security claimant.

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## **For More Information Contact:**

The Social Security Office in your area (a list of the Connecticut Offices appears on the previous page) or call the Social Security Central Office at 1-800-772-1213.

# STATE SUPPLEMENT FOR THE AGED, BLIND OR DISABLED

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## **Program Description:**

The State Supplement for the Aged, Blind or Disabled is a program administered by the Department of Social Services (DSS). The purpose of the program is to supplement assistance provided under the Federal Supplemental Security Income (SSI) program. However, actual receipt of SSI is not required. For example, if a person receives a low monthly Social Security benefit, private pension, veteran's benefits, or limited income from another source, s/he may still qualify for the State Supplement program.

Monthly payments are issued by check from the Department of Social Services (DSS). The amount paid is based on the individual's personal needs and actual costs up to a maximum rate established by the State for basic needs like food, clothing, personal items, utilities, and rent. Check with the nearest DSS office to see if additional special needs such as telephone, special diets, or transportation can be covered.

People receiving State Supplement are automatically eligible for Medicaid to cover medical expenses. If the individual has private insurance it must be used before Medicaid. In addition, recipients can receive food stamps and energy assistance if they apply and are eligible for those programs.

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## **Eligibility Requirements:**

To qualify, the person must be 65 years of age or older, blind, or disabled. In addition, his or her income must be insufficient to meet the basic needs of daily life. DSS allows a certain amount of income to be "disregarded" (subtracted) from gross income before determining if a person is eligible for the program. \$183.00 per month of any unearned income (e.g., Social Security, Unemployment Compensation) is disregarded for an applicant who lives in the community. For applicants living in a boarding home, the disregard is currently \$90.70 per month.

There are limits on the assets that the person can have. In order to qualify, a single person can have no more than \$1,600 worth of assets, and for a couple no more than \$2,400 is allowed. Assets include things like cash, bank accounts and cash surrender value of life insurance. In addition to these amounts, a person can have up to \$1,200 in a revocable burial contract or an irrevocable burial contract of up to \$5,400. It is also possible for an individual to have a burial plot and still be eligible for assistance. If the recipient lives in his or her own home, the state will place a lien on it for the value of the aid given to the recipient. They will not collect on the lien while the recipient is living in the home.

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## **For More Information Contact:**

One of the Department of Social Services Regional Offices. See index for the page number where this list can be found.

## SUPPLEMENTAL SECURITY INCOME (SSI)

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### **Program Description:**

The Supplemental Security Income (SSI) program is administered by the Social Security Administration. The program provides a basic monthly income to the blind, disabled, or older person (65 and over) in need of financial assistance. A person can receive SSI even if he or she never worked.

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### **Eligibility Requirements:**

As of January 2000, an older person (65 and over) is eligible for SSI if s/he has an adjusted gross income of less than \$512.00 per month. In order for a couple to be eligible for SSI, they must have an adjusted gross income of less than \$769.00 per month. Adjusted gross income is determined by disregarding the first \$20.00 of unearned income (such as Social Security) and the first \$65.00 of earned income. The maximum allowable countable asset amount for a single person is \$2,000 and for a couple, \$3,000.

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### **For More Information:**

Contact your local Social Security office for information on how and where to apply. See Social Security in this Manual for a listing of offices or contact the Central Office at 1-800-772-1213.

# TAX INFORMATION

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## **Program Description:**

The provision of state tax information to Connecticut taxpayers and citizens is one of the many important responsibilities of the Department of Revenue Services. There are a number of tax categories of interest and potential benefit to senior citizens.

## **Sales and Use Taxes**

When a senior citizen discount or other store discount is offered on a taxable item, the sales tax is applied to the discounted price. The same tax treatment applies to purchases made with coupons or electronic scan cards. The purchaser pays tax on the final price after the coupon or discount is subtracted.

While there is not a specific tax exemption for senior citizens, the following tax exemptions may be of particular interest to seniors:

- Cloth or fabric to make personal clothing and yarn for non-commercial use
- Clothing or footwear under \$50.00
- Custom made wigs or hairpieces for persons with specific medically diagnosed, total and permanent hair loss
- Equipment for diabetic testing
- Food purchased in grocery stores and food products sold through coin-operated vending machines
- Landscaping, horticultural, maintenance, and window washing services at the residence of a person eligible for and currently receiving permanent Social Security Disability benefits are exempt. "Maintenance services" to residential property include but are not limited to: house washing, chimney sweeping, carpet cleaning, gutter cleaning, snow removal and driveway sealing.
- Meals provided by special programs that are delivered to homes of elderly persons
- Newspapers
- Magazines purchased by subscription
- Non-prescription drugs for use in or on the human body, i.e. vitamins, cold medications, food and dietary supplements etc.
- Prescription drugs, eyeglasses, dentures, hearing aids, batteries and inclined stairway chairlifts including repair, replacement and enhancement parts
- Renovation and repair services to residential property. The tax on paving, painting or staining, wallpapering, roofing, siding and exterior sheet metal work to owner occupied residential property is being phased out. For services performed on or after July 1, 1999 the tax is 4%; on or after July 1, 2000 the rate is 2% and on or after July 1, 2001 these services will no longer be subject to sales and use taxes.

- Repair services provided to crutches, walkers and wheelchairs, hearing aids, artificial devices or artificial limbs, artificial eyes and equipment used in support of vital life functions.
- Sales of goods and services that are eligible benefits under Medicare, Medicaid, or Champus insurance and that are made to eligible beneficiaries of these insurers, regardless of whether payment is made to the retailer by the beneficiary or by the insurer.
- Sales of \$100.00 or less at gift shops in nursing and convalescent homes, homes for the aged or adult day care centers if the profits are used to benefit the patients or persons using the facility
- Sales to and by licensed non-profit nursing homes, rest homes and nonprofit homes for the aged if the sales are for the exclusive purposes of the institutions
- Shoe repair services
- Vegetable seeds suitable for planting to produce food for human consumption.

### **Individual State Income Tax**

State income tax is based on federally adjusted gross income, with certain modifications. For example, certain types of income can be subtracted from federal adjusted gross income in calculating state income tax (this includes interest from U.S. Government savings bonds or Treasury Notes and Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities). Certain income (e.g. interest from bonds issued by states other than Connecticut) that is exempt from federal income tax is added to federal adjusted gross income in calculating Connecticut income tax.

Taxpayers may be eligible for exemptions from the tax depending upon their income level. For the 1999 taxable year up to \$12,000 of adjusted gross income may be exempt for single or married filing separate taxpayers; up to \$24,000 for married couples filing jointly; and up to \$19,000 for heads of household. Beginning with the 2000 tax year the exemption for single filers will be \$12,250 and the exemption increases each year for eight years until it reaches \$15,000 in year 2007. The exemptions are phased out as income increases. Personal tax credits of up to 75% are also available depending upon income level. Modifications and exemptions are explained in the instructions to the resident income tax returns, **Form CT-1040** and **Form CT-1040EZ**.

Beginning in 1999, the tax rate has been reduced to 3% of the first \$10,000 of Connecticut taxable income for single filers, \$16,000 for heads of household, or \$20,000 for married couples who file a joint return. (The tax rate is 4.5% of Connecticut taxable income in excess of these amounts.) A non-refundable tax credit of up to \$425 for 1999 is available to taxpayers who paid Connecticut property tax on a primary residence or personally owned or leased motor vehicle. For the year 2000 this credit will be increased to \$500. The amount of credit varies depending upon income level, amount of property tax paid and amount of Connecticut income tax due.

If Social Security benefits are not taxable for federal income tax purposes, they are, likewise, not subject to Connecticut income tax. However, if Social Security benefits

are taxable for federal income tax purposes, an unmarried individual or married individual who files separately whose federal adjusted gross income is less than \$50,000, and a married couple who files jointly or an individual who files as head of household whose federal adjusted gross income is less than \$60,000 will be exempt from state tax on their federally taxable social security benefits. For anyone whose income exceeds these income levels the amount that is subject to Connecticut income tax is limited to 25% of benefits received even if a greater percentage of the benefits is taxable for federal income tax purposes.

Prepayment of tax through withholding or estimates may be required. Estimated payments should be made if the taxpayer expects to owe more than \$500 of Connecticut income tax after subtracting Connecticut income tax withheld from wages or pensions. Taxpayers who receive distributions from a pension or annuity may request Connecticut income tax withholding by contacting their pension payer and requesting **Form CT-W4P**, *Withholding Certificate for Pension or Annuity Payments*. Retired federal employees who want Connecticut income tax withheld from their annuity should contact the United States Office of Personnel Management using either the 24 hour automated telephone system at 1-800-409-6528 or by calling 1-202-606-0500 during business hours.

Employers of household employees such as nurses and home companions are not required to be registered to withhold Connecticut income tax unless the employer and employee both agree to have state taxes withheld. The employees, however, may be required to make estimated payments if tax is not withheld.

## **Real Estate Conveyance Tax**

Deeds transferring property between spouses and deeds transferring property between parent and child for no consideration are exempt from real estate conveyance tax. Deeds transferring property from a person receiving Elderly Property Tax benefits are exempt from Connecticut's real estate conveyance tax but are subject to municipal conveyance tax. (Note: Transfers of property for no consideration, other than transfers between spouses, may be subject to the state gift tax.)

## **Gift Tax**

In general, gifts made during each calendar year by residents and nonresident individuals are subject to the Connecticut gift tax. The federal gift tax exclusion of the first \$10,000 in gifts to each individual and the unlimited gift tax deduction for gifts between spouses are also recognized for Connecticut gift tax purposes. Request **Form CT-709**, *Connecticut Gift Tax Return and Instructions*, for further information.

## **Succession Tax**

Transfers to the surviving spouse or qualifying charitable, religious, educational, historical or scientific organizations regardless of the size of the estate, are exempt from the state succession (inheritance) tax. The succession tax is being phased out beginning in 1997 and is scheduled for total repeal in 2005. Please request **SN 95(18)**, *1995 Legislative Changes Affecting the Succession and Transfer Taxes and the Estate Tax*.

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### **For More Information Contact:**

Department of Revenue Services

25 Sigourney Street

Hartford, CT 06106

Phone: (860) 297-5962 (Hartford area or out of state)

Fax : (860) 297-4929

Toll-free in State 1-800-382-9463 (Press 2 to request Forms, 1 and then 2 for recorded income tax information or 0 for Assistance during business hours)

TDD only: (860) 297-4911

Website: <http://www.drs.state.ct.us>

E-mail: [DRS@PO.STATE.CT.US](mailto:DRS@PO.STATE.CT.US)