

## SOCIAL SECURITY EXPLAINED

### *Social Security:*

- Social Security is the Federal government's own defined benefit pension plan. Nearly all American workers contribute to this plan through a system of taxes. Upon retirement (or certain other defined situations), individuals receive a regular check, the amount varying based on the number of years worked and the total contributed. For many, the government uses a system of employer paid payroll taxes and matching payroll deductions to make contributions. For others, most notably pastors, the individuals pay their own contributions through what are known as self-employment taxes.