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An instructional unit in social security taxes.

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Boston University
BOSTON UNIVERSITY
SCHOOL OF EDUCATION

AN INSTRUCTIONAL UNIT IN SOCIAL SECURITY TAXES

Submitted by
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CHAPTER I
INTRODUCTION

Statement of the Problem

The purpose of this study is to present a unit dealing with social security taxes suitable for use at the high school level.

Delimitation of the Problem

The study is intended to present social security taxes in such a way as to give some understanding to students of the effect of the social security program on their lives. The unit covers:

1. The purpose of the program
2. Rules and regulations pertaining to the operation of the program
3. Routine paper work involved from the record-keeping viewpoint
4. Advantages and disadvantages of the program

Justification of the Problem

The study should be of value to any teacher who is interested in presenting some material on social security taxes to supplement a course in income taxes or advanced accounting. Also, it might help to broaden the scope of
some of the social science classes. The unit is compact enough to present in a week and flexible enough to extend into a longer period, if desired.

Explanation of Terms

Social security taxes refer to the Federal tax program which includes old-age and survivor insurance and unemployment insurance. The old-age and survivor insurance program is directly under Federal supervision, but the unemployment insurance program is carried on as a state and Federal cooperative effort. There is definitely a distinction between old-age benefits under the Social Security Act and benefits from the old-age assistance program carried on by the state.

The Unit Plan as used in this study is the means of presenting in a compact manner subject matter and materials which will bring about changes in the pupils' concepts, skills, ideals, or appreciations.¹

The unit is intended for the teacher's use and it sets forth general objectives and specific objectives. Short, declarative sentences are used and pertinent material is included; all unnecessary facts are excluded. The unit is

flexible enough to take care of individual differences among the pupils.  

The unit also includes incidental and indirect products, assignments, optional related activities, and study and activity guides for students.  

The Unit Assignment is the general plan of teacher-pupil activity. Supplementary materials may be added or activities reduced according to the needs of pupils.  

Optional related activities are activities which the student may undertake in addition to the core materials.  

The Study and Activity Guide directs and aids the pupils as to time, assignments, and references.  

The Unit Outline, Chapter II, suggests topics for discussion, teacher and student activities, and optional related activities.

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2. Ibid., p. 505  
3. Ibid., p. 505  
4. Ibid., p. 505  
5. Ibid., p. 505  
6. Ibid., p. 506  
7. Ibid., p. 507  
8. Ibid., p. 508
CHAPTER II

UNIT OUTLINE--STUDY AND ACTIVITY GUIDE


The text was selected for use in a course in income taxes. Two chapters are devoted to social security taxes, chapters XVI and XVII. The writer felt that a little time spent in covering social security taxes in addition to the income tax work should prove of some benefit to the students.

Objectives of the Unit

Federal law provides for old-age and survivor insurance for most people. In view of the fact that most of us are affected by the social security laws, we should be familiar with those laws and their workings. It is essential that we know:

1. Who is taxed
2. How much tax is paid
3. How to apply for an identification number
4. Employer's and employee's duties
5. How returns are made
6. How records are kept
7. How to determine benefits

The unit outline with recommended teacher and student activities follows:
Old-age and Survivor Insurance

1. Introduction

2. Who is taxed
   a. Employer
   b. Employee
   c. Self-employed persons

3. Employment covered
   a. Agricultural labor
   b. Domestic service
   c. Casual labor
   d. Family employment
   e. Clergymen
   f. Students
   g. Nurses and internes
   h. Newsboys and vendors
   i. Fishing
   j. Nonprofit organizations
   k. Railroad workers
   l. Government employees
   m. Employment outside the United States

4. Who are employees

5. Wages subject to taxes
   a. General
   b. Payments in kind
   c. Travel and allied expenses

Teacher and Student Activities

Teacher Activities:

1. Tell how social security originated
2. Lead discussion on need for and advantages or disadvantages of the program
3. Preview reading to be assigned. Section dealing with covered employment probably needs special emphasis
4. Allow students to start homework in class, at least 15 minutes
5. Assign specific sections for reading

Student Core Activities:

1. Examine actual completed returns supplied by teacher
2. Class discussions
3. If workbook available, written work from drills provided
4. Written assignments suggested by teacher

Optional Student Activities:

1. Report in class how parent or other relative secured a social security card
2. Draw an enlargement of a social security card for use in the classroom
3. Report on how an employer files his returns
4. Report on how some employer maintains his payroll records to provide social security information
d. Extra compensation  
e. Payments under employee benefit plans  
f. Retirement payments  
g. Insurance payments  
h. Qualified employee trust or annuity plans  
i. Other payments  
j. Compensation to nonemployees  

6. Self-employment  

7. Self-employment income, net earnings  

8. Preliminary returns  
a. Employer's application for identification number  
b. Employee's application for account number  
c. Self-employee's application for account number  
d. Duties of employer  
e. Duties of employee  

9. Returns and payment of tax  
a. By employer  
b. By self-employed individual  

10. Records  
a. Employer  
B. Employee  
c. Self-employed person  

11. Refunds and adjustments  
a. General  
b. Employee's special fund
12. Additions and penalties
   a. Failure to pay when due
   b. Delinquent returns
13. Private plans
14. Benefits payable
   a. Introduction
   b. "Fully insured" and "currently insured" individuals
   c. Eligibility for survivor's insurance and supplements
   d. Eligibility for old-age benefits
15. Computation of "primary insurance amount"
   a. Formulas used
   b. Average monthly wage
   c. When new formula applies
   d. How old formula and conversion table are used
16. Special provisions for World War II veterans
17. Amount and duration of benefits
   a. Old-age benefits and supplements
   b. Survivors insurance benefits
   c. Maximum and minimum benefits
18. Loss of benefits
19. Simultaneous entitlement to benefits
20. Recomputation of benefits
21. Procedure in filing claims
22. Agreements with state
Unemployment Insurance

1. Introduction
2. State-Federal system
3. Tax on employers
4. Tax on employees
5. Meaning of employment
6. Wages subject to tax
7. Return and payment of tax
8. Credit against Federal tax for state payments
   a. State payments before due date of Federal return
   b. State payments after date
   c. Employee contributions
9. Credit allowed under merit or experience rating
10. Employer's records
11. Refunds and adjustments
12. Additions and penalties
   a. Failure to pay when due
   b. Delinquent return
   c. Assessment of tax
   d. False returns

Teacher Activities:
1. Ask leading questions about unemployment insurance
2. Elaborate on cooperation between Federal and state governments
3. Show completed returns

Student Activities:
1. Class discussion on benefits of unemployment insurance
2. Panel discussion--advantages and disadvantages of unemployment insurance program
3. Complete drill or other written work assigned by teacher
A film supplied by the Federal Security Agency, Social Security Administration, was used to introduce the unit, and a field representative of the Social Security Division talked to the group about the changes in the social security laws since the program was put into effect.

Arrangements for the film and talk were made with Miss Angela C. O'Brien, Manager, Bureau of Old Age and Survivors Insurance, 161 Devonshire Street, Boston 10, Massachusetts. Anyone wishing to make similar arrangements may do so by contacting the nearest office of the Social Security Administration.

The film, "Your Social Security," presents a short history of the social security program and an insight into the actual workings of the program. The audience is taken for a visit to the central record office in Baltimore, Maryland, and shown the system used for tabulating and filing accounts with speed and accuracy. It especially demonstrates the effective use of various machines in processing accounts and paying benefits.

Following the presentation of the film, the students asked questions about specific phases of the program. The field agent was very cooperative and answered all questions.

Before starting with the unit subject matter, one class session was devoted to a discussion of the film and talk. Succeeding sessions were devoted to presentations and discussion of the subject matter set forth in Chapter III.
CHAPTER III
DELIMITATION OF THE UNIT
Old-Age and Survivor Insurance

Who is taxed
1. All employers are required to pay taxes on wages.
2. The current tax rate is 1\(\frac{1}{2}\)%.
3. Congress may change the rate if it so desires.
4. Rates are scheduled to increase gradually to 3\(\frac{3}{4}\)%.
5. Employees are taxed at the same rate as employers.
6. The employer must withhold the employee's tax and remit it to the government with his own.
7. Self-employed persons pay tax on earnings from a trade or business at a rate of 1\(\frac{1}{2}\) times the regular rate.
8. The self-employment tax is paid with the income tax.

Employment covered
1. In general, all employees are covered, but there are some exceptions.
2. Agricultural workers are exempt.
3. Agricultural workers must earn $50 or more in a calendar quarter to be covered.
4. Domestic servants must be paid $50 or more in a calendar quarter to be taxed.
5. Any person doing work which is not the employer's actual line of business must earn over $50 in a
calendar quarter under the same employer to be covered.

6. Employment of parents, husband or wife, or minor children is exempt.

7. Clergymen are exempt when performing duties pertaining to their calling.

8. Student nurses and internes are exempt when performing services in the employ of the hospital.

9. Newsboys and newsvendors are exempt if they are paid on a commission basis.

10. Most services in connection with the fishing industry are exempt.

11. Some fishermen are in covered employment.

12. Nonprofit organizations are exempt from social security taxes if they are exempt from income taxes.

13. Nonprofit organizations may participate in the program on a voluntary basis.

14. Railroad workers have their own retirement system, so they are excluded from coverage.

15. Employees of foreign governments are exempt.

16. Employees of international organizations are exempt.

17. Federal employees are covered if they are not covered by another retirement system.

18. State employees may be covered by a voluntary agreement between the Federal government and the state.
19. An American citizen working for an American employer in a foreign country is covered.

Who are employees

1. There is a distinct difference between an employee and a private contractor.
2. An employee is under the control and direction of the employer.
3. A contractor determines how results are to be accomplished and the means to be used.
4. Officers of a corporation are considered employees.
5. Agent-drivers or commission-drivers are employees.
6. Full-time life insurance salesmen are employees.
7. Regular salesmen are employees.
8. A director of a corporation is not considered an employee.
9. Members of a partnership are not employees.

Wages subject to taxes

1. Wages up to $3600 in a calendar year are subject to old-age benefit taxes.
2. "Wages" is meant to include salaries, fees, bonuses, and commissions.
3. Wages are considered compensation for employment.
4. Payment in a medium other than cash is considered remuneration under some conditions and not under others.
5. Board and lodging furnished for the convenience of the employer are not considered wages.
6. Board and lodging furnished for the convenience of the employee are considered wages.

7. Travel expenses are not wages.

8. Christmas gifts and bonuses paid to the employee according to a set plan are taxable.

9. Workmen's compensation and voluntary payments to employees who are serving in the armed forces are not taxable.

10. Payments made under an employee benefit plan are not taxable.

11. Retirement payments to employees are not taxable wages.

Self-employment

1. Self-employment pertains to a person who carries on a "trade or business."

2. Many professional groups are excluded from the self-employment tax.

Self-employment income, net earnings

1. A self-employed person who has a net income of at least $400 must pay old-age benefit taxes.

2. The maximum taxable income is $3600 from all sources in the calendar year.

3. Income from rentals is excluded, except for a real estate broker.

4. The current tax rate on self-employment income is 2½%.

5. Income derived from farming is excluded from the self-employment tax.
6. Interest and dividends are excluded, except for a dealer in stocks and bonds.

7. Gains and losses from the sale or exchange of capital assets are excluded.

Preliminary returns

1. Each employer must have an identification number.
2. Each employee must have a social security account number.
3. Each self-employed person must have a social security account number.
4. The employer must enter the employee's account number on all records and returns.
5. The employee must give the employer his account number.

Returns and payment of tax

1. The employer must file Form 941 for each calendar quarter.
2. Returns must be filed by the last day of the month following the calendar quarter.
3. Withholdings exceeding $100 for a month must be deposited by the employer in an authorized bank by the fifteenth of the following month.
4. Taxes withheld for the months of March, June, September, and December may be deposited by the end of the following month.
5. Returns may be filed by the tenth of the second month following the calendar quarter if the monthly deposit requirements have been met.
6. Each return must be properly signed and verified.
7. A self-employed individual must file an annual return
   of his self-employment income.
8. The return and payment are due when the income tax
   return is due.
9. A special schedule is supplied with the income tax form.

Records
1. Each employer is required to keep payroll records.
2. The employer must keep copies of returns filed.
3. Records should be kept for four years.
4. Every employee must be supplied with a statement of
taxes withheld by January 31 of the succeeding year.

Refunds and adjustments
1. Refunds and adjustments must be made within three years.
2. An employee may secure a refund or credit on any taxes
   paid on earnings exceeding $3600.

Additions and penalties
1. A penalty of 6% interest per year will be added if tax
   is not paid on time and delay is due to a reasonable
   cause.
2. The penalty on a delinquent return not due to a
   reasonable cause is 5% of the tax for the first 30 days
   overdue, with additional 5% for each additional 30 days
   the total penalty not to exceed 25%.
3. Other penalties may be imposed for fraudulent practices.
Private plans

1. Many organizations have private retirement plans of their own.
2. Employers and employees are not all exempt from the provisions of the Social Security Act.

Benefits payable

1. Old-age and survivor insurance payments are based upon wage earnings.
2. A worker may be "fully insured" or "currently insured."
3. Eligibility for benefits depends upon the individual's status.
4. A "fully insured" worker has 40 "quarters of coverage" any time after 1936 or at least one-half the number of quarters elapsed from the year 1950 to age 65 or death, with a minimum of 6 quarters.
5. Age 21 or the year 1936 may be used for figuring one-half of the number of quarters elapsed to age 65 or death.
6. An individual is "currently insured" if he has at least 6 quarters of coverage in the 13-quarter period before age 65 or death.
7. The 6 quarters under consideration need not be consecutive.
8. An individual will receive old-age benefits if he is fully insured, is 65 years of age, and has filed an application.
9. Any eligible person earning over $50 in a month will not receive payment for that month if he is under 75 years of age.

10. A wife is entitled to monthly supplements if she is over 65 years of age, living with her husband when application is filed, and is not entitled to a benefit of her own in excess of 50% of her husband's benefit.

11. A husband may be entitled to supplementary benefits if he is "currently insured," over 65 years of age, dependent upon his wife for over half of his support, and is not entitled to a benefit of his own in excess of 50% of his wife's benefit.

12. A child is entitled to supplementary benefits if unmarried, under 18, and dependent.

13. Adopted children and stepchildren are eligible for supplementary benefits.

14. A widow is entitled to survivor's insurance benefits if she is over 65, was living with her husband when he died, is not entitled to benefits of her own in excess of 75% of her husband's benefit, and has not remarried.

15. A widow under 65 might qualify for a "mother's insurance benefit."

16. A widower can qualify for benefits if his wife was both fully and currently insured after 1950, he has not remarried, is over 65 years of age, was dependent
upon his wife for over half of his support, and is not entitled to benefits of his own in excess of 75% of his wife's benefit.

17. A surviving child is entitled to the same benefits as a child who receives supplementary benefits, under the same conditions.

18. A widow or divorced wife is entitled to benefits if her husband died after 1939 and was fully or currently insured, she has not remarried, she is not entitled to her own benefit in excess of 75% of the husband's benefit, she was living with her husband at the time of his death, or if divorced, received more than half of her support from him, and had in her care one of his children.

19. A widow without dependent children may be entitled to a lump-sum death benefit and become eligible for a widow's benefit when she reaches age 65.

20. A parent is entitled to benefits of an unmarried individual if the parent is over 65 years of age, dependent upon the deceased child at the time of his death, has not married since the child's death, and is not entitled to other social security benefits in excess of 75% of the child's benefit.

21. A lump-sum payment equal to three times the primary benefit of a fully or currently insured person will be made at time of death.
Computation of "primary insurance amount"

1. Benefits are payable according to a formula based on average monthly wages.
2. A new formula was put into effect in 1950.
3. A special conversion table is used to determine increase in benefits based on old formula.

Special provisions for World War II veterans

1. A special provision was made in the 1950 amendments for veterans of World War II.
2. A credit of $160 a month will be made to a veteran's account for all the time spent in service.

Amount and duration of benefits

1. Maximum benefit allowed under the new formula is $80.
2. Maximum benefit allowed under the old formula is $68.50.
3. A husband or wife not entitled to his or her own benefit will receive a monthly benefit of 50% of the spouse's benefit.
4. A spouse who becomes eligible for his or her own benefit loses the supplementary benefit.
5. An individual qualifying for personal benefits will receive an amount at least equal to 50% of the spouse's benefit, either as a personal benefit or as a combination benefit.
6. A child's supplement ends when the child dies, marries, is adopted, or becomes 18 years of age.
7. A widow or widower who meets the requirements is entitled to a benefit of 75% of the deceased spouse's benefit.

8. A sole surviving child who meets the requirements is entitled to a benefit of 75% of the deceased parent's benefit.

9. Each surviving child, when there are more than one, will receive an amount equal to 50% of the parent's benefit plus 25% of the benefit divided by the number of surviving children.

10. Widows and divorced wives who are supporting a child of the deceased person are entitled to a benefit of 75% of the primary amount.

11. The maximum in benefits to a family on one individual wage record is $150, the minimum is $40.

12. The primary benefit minimum is $20.

Loss of benefits

1. Any person under 75 years of age will lose his benefits for the month if he earns more than $50 in wages.

2. A self-employed person is permitted to earn an average of $50 a month, a total of $600 a year, even if the earnings in some months are above $50.

3. Loss of benefits for self-employed persons starts in the last month of the year in which the person earned over $600.

4. The excess over $600 is charged in units of $50 a month against the person until the excess is exhausted.
Simultaneous entitlement to benefits

1. An individual who is entitled to his own benefit and a supplementary benefit takes his own if it is larger.
2. If the supplementary benefit is larger, he takes his own plus the difference between the supplementary benefit and his own.

Recomputation of benefits

1. Old-age benefit payments are usually set for life.
2. Under some circumstances the benefit may be recomputed.

Procedure in filing claims

1. Application for benefits must be filed by the person making the claim.
2. Applications must be filed within six months of eligibility.
3. Applicants filing after six months will lose one month's benefits for each month late.
4. Applications may be filed three months in advance.
5. Applications for lump-sum payments must be filed within two years after death.

Unemployment Insurance

State-Federal system

1. The unemployment insurance program is a cooperative program between the state and Federal governments.
2. The employer is subject to tax by both.
3. The employer is allowed credit against the Federal tax for the tax paid to the state.

4. The actual payment of benefits is administered by the state.

Tax on employers

1. Every employer of eight or more persons employed for 20 days in separate weeks of the year in covered employment is subject to Federal unemployment tax.

2. The full tax rate is 3%.

3. The employer is allowed 90% credit against the Federal tax for payments to the state.

4. The tax is based on the first $3000 paid to an employee during a calendar year.

Tax on employees

1. Under the Federal Unemployment Tax Act, employees are not taxed.

2. Some states tax the employee in addition to the employer.

3. In Massachusetts the employee is not taxed.

Employment

1. Any service performed in an employer-employee relationship is considered covered employment unless specifically exempt.

2. Agricultural labor, domestic service, and casual labor are exempt.
3. Casual labor pertains to work which is not in the course of a person's business and the employee does not earn more than $50 in a calendar quarter.

4. Employment of spouse, parent, or minor child is excluded from taxation.

5. Employment by the Federal or state governments, or any political subdivision is exempt.

6. Employment by a nonprofit organization for religious, charitable, or educational purposes is exempt.

7. Employment of enrolled students by a school is exempt.

8. Employment by a foreign government is exempt.

9. Internes and student nurses are not in covered employment.

Returns and payment of tax

1. Payment of unemployment tax due the Federal government is made at the end of the year.

2. All returns must be based on the calendar year.

3. The tax is due by January 31 of the following year.

4. Payments may be made in equal quarterly installments.

5. The tax commissioner may extend the time of payment to prevent undue hardship.

Credit for state payments

1. The employer is allowed credit for taxes paid or due to the state at the time of filing the Federal return.

2. Credit allowed against the Federal tax is 90% of the total tax, making the Federal contribution rate .3%.
3. The state tax rate is 2.7%.

4. States may provide for a lowering of an employer's contribution rate through a merit or experience rating system.

5. Massachusetts does not allow a merit or experience rating at present.

Records

1. Every employer is required to keep permanent records for each employee.

2. The records must show detailed information about salaries and contributions.

3. The records must be accessible for inspection.

4. Records should be kept for a period of four years.

5. A special form is provided by the state for claiming refunds.

6. A penalty of 6% interest is charged if a return is filed late due to a reasonable cause.

7. A penalty of 5% additional for every 30 days is imposed for delay due to neglect.

8. A penalty of 50% is imposed for filing a false or fraudulent return.
CHAPTER IV
TRYOUT OF THE UNIT

The unit was used with a group of secretarial students at a private business school. The class was made up of girls who were preparing for secretarial positions with air lines or other business offices in such fields as travel, transportation, insurance, communications, and advertising, among others. Some of the girls may start as secretaries, stenographers, receptionists, general clerks, switchboard operators, or reservations clerks.

The group was enrolled in the "Senior Secretarial Course." The girls in this course are advanced students taking either a one-year or a two-year course. The one-year advanced students are girls who have had fundamental training in business subjects and are fairly proficient in shorthand and typing. The two-year advanced students were unskilled in the basic business subjects when they enrolled. They received their basic business training in the first year and developed speed and proficiency in the second year.

The students in the "Senior Secretarial" group are required to take a course in income taxes for personal use and as a background course to augment the secretarial accounting course, which is also required.

The writer felt that a short unit in social security taxes would help in the personal development of the students.
The unit was offered after completion of the course in personal income taxes.

The participants in the unit presentation were not selected individually. The class as a whole was used as the tryout group.

Chapter V deals with the results of a pretest and a final test administered to the group. The results are set forth in tabular form for easy comparison.
CHAPTER V

COMPARISON OF RESULTS OF PRETEST AND FINAL TEST

A pretest and a final test were used with the group to determine the degree of achievement and to show up any weak points in either learning or teaching.

The pretest covered 50 questions, varying from very easy to difficult items. The items were not placed in a progressive order of difficulty. Some items were of a general nature, but others were quite specific. The pretest was administered to 21 students.

The final test was made up of the same questions, but the items were arranged differently. The final test was administered to the same students who took the pretest, with the exception of one student who was absent when the final test was given. The paper turned in by that student in the pretest was disregarded in this comparison of the tests.

Each test, pretest and final, was given in a 40-minute period, in the same room, and under the same physical conditions.

In the tabulation of results for each item, the question to be answered appears in one column and the per cent of correct answers for the tests in the other columns. To interpret the results for each item, a comparison may be made between the answers in the pretest and those in the final test. In the first item, for example, 60% of the students...
had the right answer in the pretest; 95% of the students had the right answer in the final test.

The test items and results appear on the following pages.
# Pretest and Final Test Results

<table>
<thead>
<tr>
<th>Item</th>
<th>Pretest Percentage of correct answers</th>
<th>Final Percentage of correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Which is based on need? Check one.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Old-age retirement benefits__</td>
<td>60%</td>
<td>95%</td>
</tr>
<tr>
<td>b. Old-age assistance__</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. What is the present rate of tax for old-age benefits?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Employer _____%</td>
<td>50%</td>
<td>85%</td>
</tr>
<tr>
<td>b. Employee _____%</td>
<td>50%</td>
<td>85%</td>
</tr>
<tr>
<td>3. Are employees past 65 years of age subject to the tax? (Yes or no)</td>
<td>60%</td>
<td>95%</td>
</tr>
<tr>
<td>4. Is a full-time insurance salesman subject to the tax? (Yes or no)</td>
<td>15%</td>
<td>80%</td>
</tr>
<tr>
<td>5. What amount of wages each year is subject to old-age benefit taxes?</td>
<td>15%</td>
<td>55%</td>
</tr>
<tr>
<td>6. Are all classes of employment subject to tax? (Yes or no)</td>
<td>70%</td>
<td>95%</td>
</tr>
<tr>
<td>7. Wages must be paid in cash to be subject to tax. (True or false)</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>8. The term &quot;wages&quot; includes salaries and commissions. (True or false)</td>
<td>60%</td>
<td>95%</td>
</tr>
<tr>
<td>9. Every employer in a covered occupation must apply for a social security identification number. (True or false)</td>
<td>30%</td>
<td>90%</td>
</tr>
<tr>
<td>10. Every employee in a covered occupation must apply for a social security account number. (True or false)</td>
<td>55%</td>
<td>100%</td>
</tr>
<tr>
<td>Item</td>
<td>Pretest Percentage of correct answers</td>
<td>Final Percentage of correct answers</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>---------------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>11. How often must an employer file a return for payment of old-age taxes to the Federal government?</td>
<td>35%</td>
<td>80%</td>
</tr>
<tr>
<td>12. Indicate whether the following statements are true or false.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. The employer must give the employee a statement of tax withheld with each wage payment.</td>
<td>40%</td>
<td>85%</td>
</tr>
<tr>
<td>b. The employer must give the employee a statement of tax withheld at the end of each year.</td>
<td>40%</td>
<td>90%</td>
</tr>
<tr>
<td>c. The employer must give the employee a statement of tax withheld every three months.</td>
<td>35%</td>
<td>90%</td>
</tr>
<tr>
<td>13. If the employee works for more than one employer during the year, what amount is the maximum on which old-age tax will be charged?</td>
<td>15%</td>
<td>55%</td>
</tr>
<tr>
<td>14. Enter the proper date at the end of each of the following statements:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. The first quarter of the year for old-age tax purposes ends</td>
<td>40%</td>
<td>100%</td>
</tr>
<tr>
<td>b. The second quarter ends</td>
<td>35%</td>
<td>90%</td>
</tr>
<tr>
<td>c. The third quarter ends</td>
<td>35%</td>
<td>90%</td>
</tr>
<tr>
<td>d. The fourth quarter ends</td>
<td>40%</td>
<td>100%</td>
</tr>
</tbody>
</table>
15. A "quarter of coverage" is a calendar quarter in which the individual receives more than $_______ in covered employment.  

16. Must the required number of quarters in determining old-age benefits be consecutive? (Yes or no) ____

17. After qualifying for old-age benefits, how long will the insured receive monthly benefits? __________

18. How much must a man earn each month to lose his monthly benefit? $____________

19. If a man is receiving old-age benefits, how old must his wife be to receive a supplementary benefit? __________

20. How much would a wife receive as a supplementary benefit? __________%  

21. After an insured person dies, how much would his widow receive? __________%  

22. What are some advantages of old-age and survivor insurance?  

   Any disadvantages?  

23. A dependent child of an insured person will receive a supplementary or survivor benefit of ____% of the parent's benefit.  

---

<table>
<thead>
<tr>
<th>Item</th>
<th>Pretest Percentage of correct answers</th>
<th>Final Percentage of correct answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>15%</td>
<td>55%</td>
</tr>
<tr>
<td>16</td>
<td>20%</td>
<td>75%</td>
</tr>
<tr>
<td>17</td>
<td>35%</td>
<td>85%</td>
</tr>
<tr>
<td>18</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>19</td>
<td>45%</td>
<td>95%</td>
</tr>
<tr>
<td>20</td>
<td>30%</td>
<td>45%</td>
</tr>
<tr>
<td>21</td>
<td>None correct</td>
<td>60%</td>
</tr>
<tr>
<td>22</td>
<td>None did well</td>
<td>75% did well</td>
</tr>
<tr>
<td>23</td>
<td>10%</td>
<td>60%</td>
</tr>
<tr>
<td>Item</td>
<td>Pretest Percentage of correct answers</td>
<td>Final Percentage of correct answers</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>24. A child must be under ______ years of age to be eligible for supplementary benefits.</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>25. If an insured person becomes ineligible for benefits, the supplementary benefits cease. (True or false) ____</td>
<td>25%</td>
<td>85%</td>
</tr>
<tr>
<td>26. Under what conditions may a divorced wife receive survivor's benefits? __________________________</td>
<td>5%</td>
<td>70%</td>
</tr>
<tr>
<td>27. When does a widow's benefit cease? ____________________________</td>
<td>10%</td>
<td>75%</td>
</tr>
<tr>
<td>28. What is the maximum old-age benefit an individual may receive a month? $______</td>
<td>10%</td>
<td>70%</td>
</tr>
<tr>
<td>29. A lump-sum payment of ___ times the benefit will be made for funeral expenses when the insured dies.</td>
<td>5%</td>
<td>55%</td>
</tr>
<tr>
<td>30. How much must a self-employed person earn to pay taxes? $______</td>
<td>15%</td>
<td>70%</td>
</tr>
<tr>
<td>31. How does the self-employed person pay his taxes? Explain. __________________________</td>
<td>45%</td>
<td>80%</td>
</tr>
<tr>
<td>32. What is the current tax rate for self-employed persons? _______%</td>
<td>25%</td>
<td>65%</td>
</tr>
<tr>
<td>33. List three groups of workers who are excluded from the self-employment tax. __________________________</td>
<td>15%</td>
<td>60%</td>
</tr>
<tr>
<td>Item</td>
<td>Pretest Percentage of correct answers</td>
<td>Final Percentage of correct answers</td>
</tr>
<tr>
<td>------</td>
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<td>-----------------------------------</td>
</tr>
<tr>
<td>34. Under what conditions might a person receive a refund for old-age contributions already paid?</td>
<td>10%</td>
<td>55%</td>
</tr>
<tr>
<td>35. If you were applying for a social security card, what would you do?</td>
<td></td>
<td>35%</td>
</tr>
<tr>
<td>36. Who has charge of the actual distribution of unemployment insurance benefits? (State or Federal)</td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>37. The _______ government pays all expenses for administration of the unemployment insurance program.</td>
<td>25%</td>
<td>85%</td>
</tr>
<tr>
<td>38. Who pays the tax for unemployment insurance in Massachusetts? (Employer, employee, or both)</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>39. What is the present unemployment insurance tax rate in Massachusetts?</td>
<td>$5%</td>
<td>60%</td>
</tr>
<tr>
<td>40. How often must an employer file a return for payment of unemployment insurance taxes to the state?</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>41. What is the maximum amount of salary upon which unemployment insurance taxes must be paid?</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>42. What are some advantages of the unemployment insurance program? Any disadvantages?</td>
<td>None did well</td>
<td>35% did well</td>
</tr>
<tr>
<td>Item</td>
<td>Pretest Percentage of correct answers</td>
<td>Final Percentage of correct answers</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>43. Which employers must pay an unemployment insurance tax to the Federal government in addition to the state unemployment tax? Explain.</td>
<td>5%</td>
<td>45%</td>
</tr>
<tr>
<td>44. Within what period of time must claims for refunds or adjustments of unemployment taxes be made? ____ years.</td>
<td>None correct</td>
<td>35%</td>
</tr>
<tr>
<td>45. What is the penalty for overdue tax payments? ____%</td>
<td>None correct</td>
<td>35%</td>
</tr>
<tr>
<td>46. What is the penalty for filing a false return? ____% of the total amount of tax due.</td>
<td>None correct</td>
<td>35%</td>
</tr>
<tr>
<td>47. How long must an employer keep his unemployment tax records? ____ years.</td>
<td>None correct</td>
<td>55%</td>
</tr>
<tr>
<td>48. What is the main purpose of the unemployment insurance program?</td>
<td>_________________</td>
<td>70%</td>
</tr>
<tr>
<td>49. List three groups of workers who are excluded from the unemployment insurance program.</td>
<td>_________________</td>
<td>None correct</td>
</tr>
<tr>
<td>50. May any person who is unemployed qualify for unemployment insurance benefits? Explain.</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>1.</td>
<td>b</td>
<td>20.</td>
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<tr>
<td>2.</td>
<td>1½%</td>
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<tr>
<td>3.</td>
<td>Yes</td>
<td>22.</td>
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<tr>
<td>4.</td>
<td>Yes</td>
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<td>5.</td>
<td>$3600</td>
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<td>6.</td>
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<td>25.</td>
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<tr>
<td>7.</td>
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<td>26.</td>
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<tr>
<td>8.</td>
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<td>27.</td>
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<tr>
<td>10.</td>
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<td>29.</td>
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<tr>
<td>11.</td>
<td>Quarterly</td>
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<td>12.</td>
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<td>31.</td>
</tr>
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<td></td>
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<td>13.</td>
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<td></td>
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<td>15.</td>
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<tr>
<td>16.</td>
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<tr>
<td>17.</td>
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<tr>
<td>26.</td>
<td></td>
<td>50.</td>
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</tbody>
</table>
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Form 941, "Employer's Quarterly Federal Tax Return," with instructions, Bureau of Internal Revenue, United States Treasury Department, Current.
