

Global View - Social Security (C0163)

A: Well that was an interesting documentary!

B: For sure! I didn't really understand some of the technical jargon they used in the film when they talked about social security in the US.

A: Like what?

B: Well, they mentioned how people put away money in something called a 401K?

A: Yeah, I know it sounds weird, but a 401k is a type of retirement plan that allows employees to save and invest for their own retirement. Through a you can authorize your employer to deduct a certain amount of money from your paycheck and invest it in the plan. Everyone tries to contribute as much as possible so that when you retire, you can rest peacefully on your nest egg.

B: That's interesting and logical I guess. In my country, we also have to contribute to a government-run retirement fund, but most people don't really trust it so they just invest in properties or things like that.

A: That seems a bit unstable don't you think?

B: Yeah, but corrupt governments in the past have created distrust among banks and financial institutions, so now people prefer to have money hidden in a jar or a piggy bank.

A: I've been thinking of doing that lately! I don't want some banker to run off with my money!

Key Vocabulary

invest	<i>principle verb, present perfect</i>	spend money on something in order to get back more
Social Security	<i>proper noun, singular</i>	a US government program to protect certain groups

Supplementary Vocabulary

pension	<i>common noun, singular</i>	money paid at regular intervals from the government or a previous employer to a person following retirement or to their surviving dependents
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disability
income
insur-
ance

*common noun,
non-variable*

financial assistance to people who acquire a disability so that they can maintain a certain income level

survivor
benefits

*common noun,
plural*

financial assistance for the families of workers who die

unemployment
benefits/
compen-
sation

*common noun,
non-variable*

payments made to an unemployed worker by the government or employer during all or part of the period of unemployment

defined
benefit
plan

*common noun,
singular*

a pension plan that pays a defined pension/benefit, but the amount invested may vary

defined
contri-
bution
plan

*common noun,
singular*

a pension plan that has a defined amount to invest, but whose pension/benefit depends on the success of those investments