

## 2000 Social Security/SSI/Medicare Information

**Tax Rate\*:** Employee and employer each: 7.65% (6.20% - OASDI, 1.45% - HI)

Self-employed: 15.30% (12.40% - OASDI, 2.90% - HI)

\*Social Security tax for employers and self-employed can be partially offset under income tax rules.

**Maximum Taxable Earnings Base:** OASDI - \$76,200; HI-- No limit

### Maximum FICA/SECA Taxes:

| Maximum FICA/SECA Taxes   | OASDI      | HI       |
|---------------------------|------------|----------|
| Employee/employer (each): | \$4,724.40 | No limit |
| Self-employed:            | \$9,448.80 | No limit |

### OASDI Covered Workers (in millions, est):

| Wages | Self-employed | Combined |
|-------|---------------|----------|
| 144.1 | 14.9          | 153.0    |

**Percent of workers who are covered:** 96%

**Estimated Worker/Beneficiary Ratio:** 2000: 3.4 to 1          2034: 2.0 to 1

**Earnings Required for a Quarter of Coverage:** \$780; (\$3,120 for four)

### Retirement Test Exempt Amounts:

-For pre-age 65 months in year attaining age 65: \$25,000 annually, \$2,084 monthly (\$1 for \$3 withholding rate)

-Under age 65: \$10,080 annually, \$840 monthly (\$1 for \$2 withholding rate)

**Supplementary Medical Insurance Premium:** \$45.50

**Substantial Gainful Activity:** \$700/mo. non-blind, disabled; \$1,170/mo. Blind

**Formulae Bend Points:** (Applicable to workers who reach age 62, become disabled, or die in 2000)

### Primary Insurance Amount (PIA) OASI Maximum Family Benefit (MFB)

90% of first \$531 of AIME, plus 150% of first \$679 of PIA, plus

32% of AIME over \$531 thru \$3,202, plus 272% of PIA over \$697 thru \$980, plus

15% of AIME over \$3,202, plus 134% of PIA over \$980 thru \$1,278, plus

175% of PIA over \$1,278

(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)

**Average Monthly Benefits:**

| Average Monthly Benefits:             | 12/97 | 12/98 | 12/99 |
|---------------------------------------|-------|-------|-------|
| Retired worker:                       | \$765 | \$780 | 804   |
| Retired worker and aged spouse:       | 1,288 | 1,310 | 1,348 |
| Disabled worker:                      | 722   | 733   | 754   |
| Disabled worker, spouse and children: | 1,197 | 1,219 | 1,256 |
| Aged widow(er):                       | 731   | 749   | 775   |
| Widowed mother/father and 2 children: | 1,509 | 1,542 | 1,596 |

**Benefits for Jan. 2000 Retirees:**

|                                 | Age 62<br>PIA | Age 62<br>Benefit | Age 65<br>PIA | Age 65<br>Benefit |
|---------------------------------|---------------|-------------------|---------------|-------------------|
| Low earner (45% of avg. wages): | \$ 654.50     | \$ 518            | \$ 597.90     | \$ 597            |
| Average earner:                 | 1,078.20      | 853               | 987.20        | 987               |
| Maximum earner:                 | 1,568.50      | 1,241             | 1,433.90      | 1,433             |

**Long-Range Constant Replacement Rate:** Retirement at Age 67 in 2030 or later

Scaled low earner (45% of avg. wages): 56%; Scaled medium earner: 42%; Maximum earner: 28%

**Full Retirement Age Schedule — by Year of Birth:**

|                  |                   |                   |
|------------------|-------------------|-------------------|
| 1938 - 65/2 mos. | 1942 - 65/10 mos. | 1957 - 66/6 mos.  |
| 1939 - 65/4 mos. | 1943-54 – 66      | 1958 - 66/8 mos.  |
| 1940 - 65/6 mos. | 1955 - 66/2 mos.  | 1959 - 66/10 mos. |
| 1941 - 65/8 mos. | 1956 - 66/4 mos.  | 1960+ - 67        |

**Taxation of Benefits – % of Benefits Taxed:**

| <u>% Taxed Income</u> | <u>Threshold</u>    | <u>Filing Status</u> |
|-----------------------|---------------------|----------------------|
| up to 50%             | \$25,000 - \$34,000 | Individual           |
| up to 50%             | \$32,000 - \$44,000 | Joint                |
| up to 85%             | \$34,000+           | Individual           |
| up to 85%             | \$44,000+           | Joint                |

**Average Wage Level:** 1998: \$28,861 1999: \$29,732 (est.)

**Age 72 Payments (December 1999):**

|             | Transitionally Insured (Byrnes) | Special-Age 72 Payment (Prouty) |
|-------------|---------------------------------|---------------------------------|
| Individual: | 210.60                          | 210.60                          |
| Couple:     | 315.80                          | 421.20                          |

**Minimum PIA:** Generally eliminated for workers eligible after 1981.

**Special Minimum PIA (12/99):**

Approximately \$29.03 per year of coverage over 10 years; highest special minimum PIA = \$580.60 (30 years/coverage)

|   |          |          |          |
|---|----------|----------|----------|
| <b>Minimum Earnings for Year of Coverage:</b> | 1998     | 1999     | 2000     |
| Special Minimum:                              | \$7,605  | \$8,055  | \$8,505  |
| Windfall Elimination Provision:               | \$12,675 | \$13,425 | \$14,175 |

**Number of OASDI Beneficiaries (as of 12/99):**

|                                     |              |
|-------------------------------------|--------------|
| Total OASDI beneficiaries:          | 44.6 million |
| Retired workers and family members: | 31.0 million |
| Retired workers:                    | 27.8 million |
| Spouses:                            | 2.8 million  |
| Children:                           | 0.4 million  |
| Survivors of deceased workers:      | 7.0 million  |
| Aged surviving spouses:             | 4.7 million  |
| Disabled surviving spouses:         | 0.2 million  |
| Surviving spouses w/ child-in-care: | 0.2 million  |
| Children:                           | 1.9 million  |
| DI beneficiaries:                   | 6.5 million  |
| Disabled workers:                   | 4.9 million  |
| Spouses:                            | 0.2 million  |
| Children:                           | 1.5 million  |

**Number of OASDI Children Beneficiaries (12/99):**

|                                      |           |
|--------------------------------------|-----------|
| Total:                               | 3,794,795 |
| Children under age 18:               | 2,970,039 |
| Students aged 18-19:                 | 104,230   |
| Disabled Children aged 18 and older: | 720,526   |

**OASI/DI Trust Funds' Operations (in billions):**

| Calendar Year | Fund | Income | Outgo | Fund at End of Year |
|---------------|------|--------|-------|---------------------|
| 1998          | OASI | \$425  | \$332 | \$682               |
| 1998          | DI   | 50     | 81    | 81                  |
| 1999          | OASI | \$456  | \$340 | \$797               |
| 1999          | DI   | 69     | 53    | 97                  |

**OASDI Administrative Expenses (CY 1999):**

|  |         |         |         |
|--|---------|---------|---------|
| OASDI Administrative Expenses (CY 1999): | OASI    | DI      | OASDI   |
| Amount (in millions)                     | \$1,909 | \$1,496 | \$3,405 |
| Percent of Benefit Payments              | 0.6%    | 2.9%    | 0.9%    |

**SSI Payment Standard:** \$512 individual, \$769 couple (effective 01/00)

## Number of SSI Beneficiaries and Average Payments (11/99):

|                           | Beneficiaries | Average Payments |
|---------------------------|---------------|------------------|
| Total:                    | 6,608,132     | \$367.48         |
| Aged                      | 1,316,753     | \$288.12         |
| Blind & Disabled          | 5,291,379     | \$387.41         |
| SSI Beneficiaries by Age: |               |                  |
| Under 18                  | 861,274       | \$449.47         |
| Age 18-64                 | 3,718,771     | \$390.40         |
| Age 65 and Over           | 2,028,087     | \$292.07         |

## SSI Expenditures Fiscal Year 1999 (outlays)

|                                     |                |
|-------------------------------------|----------------|
| Federal SSI payments                | \$28.1 billion |
| Fed. Administered State Supplements | \$3.2 billion  |

## Number of people receiving monthly benefits from SSA (11/99):

|                                     |              |
|-------------------------------------|--------------|
| Total                               | 48.7 million |
| OASDI Benefits only                 | 42.1 million |
| SSI Benefits only                   | 4.2 million  |
| OASDI and SSI Benefits Concurrently | 2.4 million  |

## Census Bureau Poverty Threshold:

|                    | 1996    | 1997    | 1998    |
|--------------------|---------|---------|---------|
| Aged Individual:   | \$7,525 | \$7,698 | \$7,818 |
| Couple, aged head: | 9,491   | 9,712   | 9,862   |
| Family of four:    | 16,036  | 16,400  | 16,660  |

Social Security benefits kept 39% of today's aged beneficiaries out of poverty.

## Key dates from 1999 OASDI Trustees Report: (using intermediate assumptions)

- 2013 OASDI assets peak at 364 percent of expenditures.
- 2014 Expenditures exceed tax income for the first time since 1983.
- 2022 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
- 2034 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would have to support about three-fourths of the expected benefits.

|                                       |   |
|---------------------------------------|---|
| <b>Social Security Information:</b>   | 1-800-SSA-1213                                      |
| <b>SSA Online:</b>                    | <a href="http://www.ssa.gov">http://www.ssa.gov</a> |
| <b>Congressional Relations Staff:</b> | (410) 965-3929                                      |
| <b>OIG/SSA Fraud Hotline:</b>         | 1-800-269-0271                                      |