2004 Social Security/SSI Information

o 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.

o Maximum Taxable Earnings Base: OASDI-- $87,900; HI-- No limit

o Maximum FICA/SECA Taxes:

	OASDI	HI
Employee/employer:	$ 5,449.80	No limit
Self-employed:	10,899.60	No limit

o OASDI Covered Workers (in millions, 2004 est):

Wages	Self-employed	Combined
146.8	15.1	156.0

o Percent of workers who are covered: 96%

o Estimated Worker/Beneficiary Ratio: 2004: 3.3 to 1 2041: 2.0 to 1

o Earnings Required for a Quarter of Coverage: $900; ($3,600 for four)

o Coverage Thresholds 2004: Domestic Employment: $1,400 Election Workers: $1,200

o Retirement Test Exempt Amounts:
--No test after attaining full retirement age (FRA)—i.e., age 65 and 4 months for those attaining age 65 in 2004
--For pre-FRA months in year attaining FRA: -- $31,080 annually, $2,590 monthly ($1 for $3 withholding rate)
--Under FRA --$11,640 annually, $970 monthly ($1 for $2 withholding rate)

o Supplementary Medical Insurance Premium: $66.60

o Substantial Gainful Activity: $810/mo. nonblind, disabled; $1,350/mo. blind;

o Trial Work Period Service Month: $580/mo.

o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2004)

Primary Insurance Amount (PIA)	OASI Maximum Family Benefit (MFB)
90% of first $612 of AIME, plus	150% of first $782 of PIA, plus
32% of AIME over $612 thru $3,689, +	272% of PIA over $782 thru $1,129 +
15% of AIME over $3,689	134% of PIA over $1,129 thru $1,472, +
	175% of PIA over $1,472

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

o Average Monthly Benefits:

	12/02	12/03
Retired worker:	$ 895	$ 922
Retired worker and aged spouse:	1,483	1,523
Disabled worker:	834	862
Disabled worker, spouse and children:	1,395	1,441
Aged widow(er):	861	888
Widowed mother/father and 2+ children:	1,768	1,835

o Benefits for 2004 Retirees:

	Age 62		FRA (Age 65 + 4 months)	
	PIA	Benefit	PIA	Benefit
Low earner (45% of avg. wages)	$ 754.30	$ 575	$ 737.60	$ 737
Average earner	1,242.30	947	1,217.20	1,217
Maximum earner	1,865.80	1,422	1,825.40	1,825

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

Low earner (45% of avg. wages): 56% Average earner: 42% Maximum earner: 27%

o COLA: Increase payable in January 2004 benefits – 2.1 percent

o 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

o Taxation of Benefits -- % of Benefits Taxed:

% Taxed	Income Threshold	Filing Status
up to 50%	$25,000 - $34,000	Individual
	32,000 - 44,000	Joint
up to 85%	$34,000 +	Individual
	44,000 +	Joint

o Average Wage Level: 2002: $33,252; 2003: $34,731 (est.)

o Special Minimum PIA (12/03):

Approximately $31.94 per year of coverage over 10 years; highest special minimum PIA = $638.70 (30 years/coverage)

o Minimum Earnings for Year of Coverage:	2003	2004
--Special Minimum:	$9,675	$9,765
--Windfall Elimination Provision:	$16,125	$16,275

o Number of OASDI Beneficiaries (as of 12/03):

--Total OASDI beneficiaries:	47.0 million
--Retired workers and family members:	32.6 million
-Retired workers:	29.5 million
--Spouses:	2.6 million
--Children:	0.5 million
--Survivors of deceased workers:	6.8 million
-Aged surviving spouses:	4.5 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	7.6 million
-Disabled workers:	5.9 million
-Spouses:	0.2 million
-Children:	1.6 million

o Number of OASDI Children Beneficiaries (12/03):

--Total:	3,960,909
-Children under age 18:	3,080,308
-Students aged 18-19:	127,787
-Disabled Children aged 18 or older:	752,814

o Trust Fund Operations (in billions, based on intermediate assumptions in 2003 Trustees Report):

Calendar Year	Fund	Income	Outgo	Fund at End of Year
2002	OASI	$540	$394	$ 1,218
	DI	87	68	161
2003	OASI	$553	$405	$1,366
	DI	90	73	177

- OASDI Administrative Expenses (FY 2003):

	OASI	DI	OASDI
Amount (in billions)	$ 2.4	$1.8	$4.2
Percent of Benefit Payments	0.6%	2.6%	0.9%

- SSI Payment Standard: $564 individual, $846 couple (effect. 1/04)

- Number of SSI Beneficiaries and Average Payments (11/03):

	Beneficiaries	Average Payments
Total	6,924,066	$ 417.03
Aged	1,242,017	$ 340.97
Blind & Disabled	5,682,049	433.71
SSI Beneficiaries by Age:		
Under 18	956,451	$ 497.78
Age 18-64	3,967,290	435.38
Age 65 and Over	2,000,325	342.42

- SSI Expenditures FY 2003
  - Federal SSI payments ---------- $32.4 billion
  - Fed. Administered State Supplements ------- 3.9 billion

- Number of people receiving monthly benefits from SSA (11/03):
  - -OASDI Benefits only ---------- 44.5 million
  - -SSI Benefits only ---------- 4.5 million
  - -OASDI and SSI Benefits Concurrently -- 2.5 million
  - Total ---------- 51.6 million

- Program Accuracy
  - OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2002
    - -- 99.9% of payment outlays without an overpayment
    - -- 99.9% of payment outlays without an underpayment
  - SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2002
    - -- 93.0% of payment outlays without an overpayment
    - -- 98.6% of payment outlays without an underpayment
  - DDS Accuracy Rate for Initial Disability Decisions – FY 2002
    - -- 98.5% - Allowance performance accuracy rate
    - -- 95.1% - Denial performance accuracy rate

- Key dates from 2003 OASDI Trustees Report: (using intermediate assumptions)

2016	OASDI assets peak at 471 percent of expenditures.
2018	Expenditures exceed tax income for the first time since 1983.
2028	OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
2042	OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 73% of the expected benefits.

- Estimated long-range deficit: 1.92 percent of taxable payroll.

- Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778

- SSA Online: http://www.socialsecurity.gov

- Congressional Relations Staff: (410) 965-3929

- OIG/SSA Fraud Hotline: 1-800-269-0271