

2007 Social Security/SSI/Medicare Information

Social Security Program:

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 - \$97,500; HI-- No limit

Maximum FICA/SECA Taxes:

Maximum FICA/SECA Taxes	OASDI	HI
Employee/employer (each):	\$6,045.00	No limit
Self-employed:	\$12,090.00	No limit

OASDI Covered Workers (in millions, 2007est):

Wages	Self-employed	Combined
153.4	16.8	163.1

Percent of workers in paid employment or self employment who are covered: 96%

Estimated Worker/Beneficiary Ratio: 2007: 3.3 to 1 2040: 2.1 to 1

Earnings Required for a Quarter of Coverage: \$1,000; (\$4,000 for four)

Coverage Thresholds for 2007: Domestic Employment: \$1,500; Election Workers: \$1,300

Retirement Test Exempt Amounts:

-No test after attaining full retirement age (FRA)—i.e., age 65 and 8 months for those attaining FRA in 2007

-For pre-FRA months in year attaining FRA: \$34,440 annually, \$2,870 monthly (\$1 for \$3 withholding rate)

-Under FRA: \$12,960 annually, \$1,080 monthly (\$1 for \$2 withholding rate)

Substantial Gainful Activity: \$900/mo. non-blind, disabled; \$1,500/mo. Blind

Trial Work Period Service Month: \$640/mo.

Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2007)

Primary Insurance Amount (PIA)

90% of first \$680 of AIME, plus
32% of AIME over \$680 thru \$4,100, +
15% of AIME over \$4,100

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

OASI Maximum Family Benefit (MFB)

150% of first \$869 of PIA, plus
272% of PIA over \$869 thru \$1,255 +
134% of PIA over \$1,255 thru \$1,636, +
175% of PIA over \$1,636

Average Monthly Benefits:

Average Monthly Benefits:	04/07
Retired worker:	\$1,049
Retired worker and aged spouse:	\$1,716
Disabled worker:	\$978
Disabled worker, spouse and children:	\$1,638
Aged widow(er):	\$1,011
Widowed mother/father and 2 children:	\$2,142

Benefits for 1/2007 Retirees:

	Age 62 (FRA 66) PIA	Age 62 (FRA 66) Benefit	FRA (Age 65 + 8 mos.) PIA	FRA (Age 65 + 8 mos.) Benefit
Scaled low earner (45% of avg. wages):	\$ 838.20	\$ 628	\$ 841.50	\$ 841
Scaled medium earner:	1,380.90	1,035	1,386.10	1,386
Maximum earner:	2,119.20	1,589	2,120.90	2,120

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

Scaled low earner (45% of avg. wages): 55%; Scaled medium earner: 41%; Maximum earner: 27%

Number of OASDI Beneficiaries (as of 04/07):

Total OASDI beneficiaries:	49.5 million
Retired workers and family members:	34.2 million
Retired workers:	31.3 million
Spouses:	2.5 million
Children:	0.5 million
Survivors of deceased workers:	6.6 million
Aged surviving spouses:	4.3 million
Disabled surviving spouses:	0.2 million
Surviving spouses w/ child-in-care:	0.2 million
Children:	1.9 million
DI beneficiaries:	8.7 million
Disabled workers:	6.9 million
Spouses:	0.2 million
Children:	1.7 million

Number of OASDI Children Beneficiaries (04/07):

Total:	4,127,865
Children under age 18:	3,140,530
Students aged 18-19:	206,355
Disabled Children:	780,980

COLA: Increase payable in January 2007 benefits – 3.3 percent

Special Minimum PIA (12/06):

Approximately \$35.26 per year of coverage over 10 years; highest special minimum PIA = \$705.20 (30 years of coverage)

Minimum Earnings for Year of Coverage:	2006	2007
Special Minimum:	\$10,485	\$10,890
Windfall Elimination Provision:	\$17,475	\$18,150

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: 2005: \$36,953 2006: \$38,726 (est.) 2007: \$40,462 (est.)

OASDI Administrative Expenses (FY 2006):

OASDI Administrative Expenses (FY 2006):	OASI	DI	OASDI
Amount (in billions)	\$ 2.4	\$2.3	\$4.7
Percent of Benefit Payments	0.5%	2.5%	0.9%

Numbers may not add due to rounding of individual components.

OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2007 Trustees Report):

Funds' Assets

Calendar Year	Income	Outgoing	Net Increase	EOY Balance
2006	\$745	\$555	\$190	\$2,048
2007 (est)	\$783	\$594	\$189	\$2,237

Key dates from 2007 OASDI Trustees Report: (using intermediate assumptions)

- 2014 OASDI assets peak at 409 percent of expenditures.
- 2017 Expenditures exceed tax income for the first time since 1983.
- 2027 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
- 2041 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 75% of the expected benefits.

Estimated long-range deficit: 1.95 percent of taxable payroll.

SSI Program

SSI Payment Standard: \$623 individual, \$934 couple (effective 01/07)

Resource Limits:

Individual: \$2,000
Couple: \$3,000

Number of SSI Beneficiaries and Average Payments (12/06):

	Beneficiaries	Average Payments
Total:	7,235,565	\$455
Aged	1,211,656	\$373
Blind & Disabled	6,023,909	\$471
SSI Beneficiaries by Age:		
Under 18	1,078,975	\$542
Age 18-64	4,152,114	\$471
Age 65 and Over	2,004,476	\$375

SSI Expenditures FY 2006

(Excludes accelerated payment due 10/01/06)

Federal SSI payments \$37.2 billion
Federally Administered State Supplements \$4.1 billion

Social Security and SSI Information

Number of people receiving monthly benefits from SSA (12/06):

OASDI Benefits only	46.6 million
SSI Benefits only	4.7 million
OASDI and SSI Benefits Concurrently	2.5 million
Total	53.8 million

Program Accuracy

OASDI Program Dollar Accuracy Rate (Non-medical Factors) -- FY 2005
 99.6% of payment outlays without an overpayment
 99.8% of payment outlays without an underpayment
SSI Program Dollar Accuracy Rate (Non-medical Factors) -- FY 2005
 93.6% of payment outlays without overpayment
 98.6% of payment outlays without underpayment
DDS Accuracy Rate for Initial Disability Decisions – FY 2005
 96% - Overall performance accuracy rate

Medicare Program

Number of HI/SMI Enrollees (FY 2006):

Total HI and/or SMI enrollees:	43.0 million
Aged:	36.2 million
Disabled:	6.8 million

Part A Hospital Insurance:

	Monthly Premium
Fully Insured	\$0
30-39 credits	\$226.00
Less than 30 credits	\$410.00

Part B Supplementary Medical Insurance Premium: \$93.50

Income-Related Monthly Adjustment Amount (IRMAA) Information

Number of Beneficiaries Affected: 1.645 million in 2007 (About 4% of Part B beneficiaries)

*Modified Adjusted Gross Income	2007 IRMAA Increase	2007 Total Monthly Premium
Single		
\$80,000 and under	\$0.00	\$93.50 (base premium)
\$80,000.01 to 100,000.00	\$12.30	\$105.80
\$100,000.01 to 150,000.00	\$30.90	\$124.40
\$150,000.01 to 200,000.00	\$49.40	\$142.90
\$200,000.01 or more	\$67.90	\$161.40
Married Couple		
\$80,000 and under	\$0.00	\$93.50 (base premium)
\$80,000.01 to 100,000.00	\$12.30	\$105.80
\$100,000.01 to 150,000.00	\$30.90	\$124.40
\$150,000.01 to 200,000.00	\$49.40	\$142.90
\$200,000.01 or more	\$67.90	\$161.40
Married, Filing Separately		
\$80,000 or less	\$0.00	\$93.50 (base premium)
\$80,000.01 to 120,000.00	\$49.40	\$142.90
\$120,000.01 or more	\$67.90	\$161.40

Medicare Part D Subsidy Eligibility Requirements:

GENERAL – Individual Must Be:

- a. Entitled to Part A or enrolled in Part B;
- b. Enrolled in prescription drug plan;
- c. Reside in 50 States or DC;
- d. File an application; and,
- e. Have income and resources below specified limits.
 - i. 2007 Income Limits
 1. Full Subsidy – Below 135% of poverty guidelines (\$13,783 individual/\$18,481 couple)
 2. Partial Subsidy – Between 135%-150% of poverty guidelines (\$15,315 individual/\$20,535 couple)
 - ii. 2007 Resource Limits
 1. \$11,710 individual/\$23,410 married couple living together
 2. Amount adjusted annually based on CPI

Resources/Contacts

Social Security Information: 1-800-SSA-1213 or TTY 1-800-325-0778 TTY (55.3 million calls handled in FY 2006)

SSA Online: <http://www.socialsecurity.gov> (48.7 million visits to this website in FY 2006)

Congressional Relations Staff: (410) 965-3929

Medicare Info: 1-800-633-4227 TTY: 1-877-486-2048

Medicare online: <http://www.medicare.gov>