

# 1997 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 - \$65,400; HI-- No limit

## Maximum FICA/SECA Taxes:

Maximum FICA/SECA Taxes	OASDI	HI
Employee/employer (each):	\$4,054.80	No limit
Self-employed:	\$8,109.60	No limit

## OASDI Covered Workers (in millions, 1997 est.):

Wages	Self-employed	Combined
137.5	14.0	145.9

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

**Estimated Worker/Beneficiary Ratio:** 1996: 3.2 to 1          2030: 2.0 to 1

**Earnings Required for a Quarter of Coverage:** \$670; (\$2,680 for four)

## Retirement Test Exempt Amounts:

-Age 65-69: \$13,500 annually, \$1,125 monthly (\$1 for \$3 withholding rate)

-Under age 65: \$8,640 annually, \$720 monthly (\$1 for \$2 withholding rate)

**Supplementary Medical Insurance Premium:** \$43.80

**Substantial Gainful Activity:** \$500/mo. non-blind, disabled; \$1,000/mo. Blind

**Formulae Bend Points:** (Applicable to workers who reach age 62, become disabled, or die in 1997)

## Primary Insurance Amount (PIA)

90% of first \$455 of AIME, plus  
32% of AIME over \$455 thru \$2,741, +  
15% of AIME over \$2,741

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

## OASI Maximum Family Benefit (MFB)

150% of first \$581 of PIA, plus  
272% of PIA over \$581 thru \$839 +  
134% of PIA over \$839 thru \$1,094, +  
175% of PIA over \$1,094

**Average Monthly Benefits:**

Average Monthly Benefits:	12/94	12/95	12/96
Retired worker:	\$697	720	\$745
Retired worker and aged spouse:	1,178	1,215	1,256
Disabled worker:	661	682	704
Disabled worker, spouse and children:	1,120	1,147	1,172
Aged widow(er):	655	680	707
Widowed mother/father and 2 children:	1,338	1,377	1,466

**Benefits for Jan. 1997 Retirees:**

	Age 62 PIA	Age 62 Benefit	Age 65 PIA	Age 65 Benefit
Low earner (45% of avg. wages):	\$ 560.50	\$ 448	\$ 565.90	\$ 565
Average earner:	923.40	738	933.60	933
Maximum earner:	1,311.40	1,049	1,326.60	1,326

**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%

**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:** 1995: \$24,705; 1996: \$25,676 (est.)

**Age 72 Payments (December 1996):**

	Transitionally Insured (Byrnes)	Special-Age 72 Payment (Prouty)
Individual:	199.00	199.00
Couple:	298.50	398.00

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

**Special Minimum PIA (12/96):**

Approximately \$27.42 per year of coverage over 10 years; highest special minimum PIA = \$548.30 based on 30 years of coverage.

**Minimum Earnings for Year of Coverage:**

	1995	1996	1997
Special Minimum:	\$6,795	\$6,975	\$7,290
Windfall Elimination Provision:	\$11,325	\$11,625	\$12,150

**Number of OASDI Beneficiaries (as of 12/96):**

Total OASDI beneficiaries:	43.7 million
Retired workers and family members:	30.3 million
Retired workers:	26.9 million
Spouses:	3.0 million
Children:	0.4 million
Survivors of deceased workers:	7.4 million
Aged surviving spouses:	5.0 million
Disabled surviving spouses:	0.2 million
Surviving spouses w/ child-in-care:	0.2 million
Children:	1.9 million
DI beneficiaries:	6.1 million
Disabled workers:	4.4 million
Spouses:	0.2 million
Children:	1.5 million

**Number of OASDI Children Beneficiaries (12/96):**

Total:	3,803,000
Children under age 18:	3,010,000
Students aged 18-19:	96,000
Disabled Children:	697,000

**Trust Funds' Operations (in billions):**

Calendar Year	Fund	Income	Outgo	Fund at End of Year
1995	OASI	\$342.8	\$297.8	\$458.5
1995	DI	56.7	42.1	37.6
1996	OASI	\$364.0	\$309.2	\$513.3
1996	DI	60.9	45.4	53.1

**OASDI Administrative Expenses (FY 1996):**

OASDI Administrative Expenses (FY 1996):	OASI	DI	OASDI
Amount (in millions)	\$ 1,788	\$1,074	\$2,862
Percent of Benefit Payments	0.6%	2.5%	0.8%

**SSI Payment Standard:** \$484 individual, \$726 couple (effective 01/97)

**Number of SSI Beneficiaries and Average Payments (12/96):**

	Beneficiaries	Average Payments
Total:	6,613,718	\$362.75
Adults:		
Aged:	1,412,632	\$260.75
Blind:	73,385	\$369.81
Disabled:	4,109,709	\$378.04
Children:		
Blind:	8,752	\$456.12
Disabled:	1,009,240	\$441.89

**SSI Expenditures FY 1996**

Federal SSI payments	\$25.0 billion
Fed. Administered State Supplements	3.0 billion

**Number of people receiving monthly benefits from SSA (12/96):**

Total	47.8 million
-OASDI Benefits only	41.2 million
-SSI Benefits only	4.1 million
-OASDI and SSI Benefits Concurrently	2.5 million

**Census Bureau Poverty Threshold:**

	1994	1995	1996 (prelim)
Aged Individual:	\$7,108	\$7,309	\$7,525
Couple, aged head:	8,967	9,219	9,491
Family of four:	15,141	15,569	16,029

Social Security benefits keep 42% of today's aged beneficiaries out of poverty.

**Key dates from 1996 OASDI Trustees Report:**

- 2011 OASDI assets peak at 245 percent of expenditures.
- 2012 Interest earnings begin to be required to pay benefits. The Trust Funds begin to increase Treasury's private-sector borrowing.
- 2019 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
- 2029 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 77 percent of the expected benefits.

**Social Security Information:** 1-800-SSA-1213

**SSA Online:** <http://www.ssa.gov>

**Congressional Relations Staff:** (410) 965-3929

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