

## 2001 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 - \$80,400; HI-- No limit

### Maximum FICA/SECA Taxes:

Maximum FICA/SECA Taxes	OASDI	HI
Employee/employer (each):	\$4,984.80	No limit
Self-employed:	\$9,969.60	No limit

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

Wages	Self-employed	Combined
145.0	14.6	153.6

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

**Estimated Worker/Beneficiary Ratio:** 2001: 3.4 to 1          2046: 2.0 to 1

**Earnings Required for a Quarter of Coverage:** \$830; (\$3,320 for four)

**Domestic Employment Coverage Threshold:** \$1,300

**Retirement Test Exempt Amounts:** (No test after age 65 attainment)

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

-Under age 65: \$10,680 annually, \$890 monthly (\$1 for \$2 withholding rate)

**Supplementary Medical Insurance Premium:** \$50.00

**Substantial Gainful Activity:** \$740/mo. non-blind, disabled; \$1,240/mo. Blind

**Formulae Bend Points:** (Applicable to workers who reach age 62, become disabled, or die in 2001)

### Primary Insurance Amount (PIA)

90% of first \$561 of AIME, plus  
32% of AIME over \$561 thru \$3,381, +  
15% of AIME over \$3,381

### OASI Maximum Family Benefit (MFB)

150% of first \$717 of PIA, plus  
272% of PIA over \$717 thru \$1,034 +  
134% of PIA over \$1,034 thru \$1,349, +  
175% of PIA over \$1,349

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

**Average Monthly Benefits:**

Average Monthly Benefits:	12/98	12/99	12/00
Retired worker:	\$780	804	\$844
Retired worker and aged spouse:	1,310	1,348	1,410
Disabled worker:	733	754	786
Disabled worker, spouse and children:	1,219	1,256	1,311
Aged widow(er):	749	775	811
Widowed mother/father and 2 children:	1,542	1,596	1,680

**Benefits for Jan. 2001 Retirees:**

	Age 62 PIA	Age 62 Benefit	Age 65 PIA	Age 65 Benefit
Low earner (45% of avg. wages):	\$ 691.40	\$ 544	\$ 636.10	\$ 636
Average earner:	1,138.80	896	1,051.00	1,051
Maximum earner:	1,669.00	1,314	1,536.70	1,536

**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%

**COLA:** Increase payable in January 2001 benefits – 3.5 percent

**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:** 1999: \$30,470 2000: \$32,105 (est.)

**Special Minimum PIA (12/00):**

Approximately \$30.05 per year of coverage over 10 years; highest special minimum PIA = \$604.40 (30 years/coverage)

**Minimum Earnings for Year of Coverage:**

	1999	2000	2001
Special Minimum:	\$8,055	\$8,505	\$8,955
Windfall Elimination Provision:	\$13,425	\$14,175	\$14,925

**Number of OASDI Beneficiaries (as of 12/00):**

Total OASDI beneficiaries:	45.4 million
Retired workers and family members:	31.8 million
Retired workers:	28.5 million
Spouses:	2.8 million
Children:	0.5 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:	6.7 million
Disabled workers:	5.0 million
Spouses:	0.2 million
Children:	1.5 million

**Number of OASDI Children Beneficiaries (12/00):**

Total:	3,802,863
Children under age 18:	2,976,406
Students aged 18-19:	97,768
Disabled Children aged 18 and older:	728,689

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

Calendar Year	Fund	Income	Outgo	Fund at End of Year
2000	OASI	\$491	\$358	\$931
2000	DI	78	57	119
2001	OASI	\$520	\$378	\$1,073
2001	DI	84	61	142

**OASDI Administrative Expenses (FY 2000):**

OASDI Administrative Expenses (FY 2000):	OASI	DI	OASDI
Amount (in millions)	\$ 2,022	\$1,611	\$3,633
Percent of Benefit Payments	0.6%	3.0%	0.9%

**SSI Payment Standard:** \$531 individual, \$796 couple (effective 01/01)

**Number of SSI Beneficiaries and Average Payments (11/00):**

	Beneficiaries	Average Payments
Aged:	1,296,029	\$290.46
Blind & Disabled:	5,312,333	\$391.97
Total:	6,608,362	\$371.29
SSI Beneficiaries by Age:		
Under 18:	847,356	\$455.80
Age 18-64:	3,744,192	\$397.28
Age 65 and Over	2,016,814	\$293.65

**SSI Expenditures FY 2000** (outlays – includes payment due on 10/01/00)

Federal SSI payments	\$30.8 billion
Fed. Administered State Supplements	\$3.6 billion

**Number of people receiving monthly benefits from SSA (11/00):**

OASDI Benefits only	43.0 million
SSI Benefits only	4.2 million
OASDI and SSI Benefits Concurrently	2.4 million
Total	49.6 million

<b>Census Bureau Poverty Threshold:</b>	1997	1998	1999	2000
Aged Individual:	\$7,698	\$7,818	\$7,990	\$8,259
Couple, aged head:	9,712	9,862	10,075	10,419
Family of four:	16,400	16,660	17,029	17,603

Social Security benefits kept 39.5% of today's aged beneficiaries out of poverty in 1999.

**Program Accuracy**

- OASDI Program Dollar Accuracy Rate (Non-medical Factors) -- FY 1999
  - 99.8% of payment outlays without an overpayment
  - 99.9% of payment outlays without an underpayment
- SSI Program Dollar Accuracy Rate (Non-medical Factors) -- FY 1999
  - 94.3% of payment outlays without overpayment
  - 98.3% of payment outlays without underpayment
- DDS Accuracy Rate for Initial Disability Decisions – FY 1999
  - 97.0% - Allowance performance accuracy rate
  - 92.4% - Denial performance accuracy rate

**Key dates from 2001 OASDI Trustees Report: (using intermediate assumptions)**

- 2014 OASDI assets peak at 436 percent of expenditures.
- 2016 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 73% of the expected benefits.

**Estimated long-range deficit:** 1.86 percent of taxable payroll.

**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