

2006 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 - \$94,200; HI-- No limit

Maximum FICA/SECA Taxes:

Maximum FICA/SECA Taxes	OASDI	HI
Employee/employer (each):	\$5,840.00	No limit
Self-employed:	\$11,680.00	No limit

OASDI Covered Workers (in millions, 2006 est):

Wages	Self-employed	Combined
151.9	16.6	161.6

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

Estimated Worker/Beneficiary Ratio: 2006: 3.3 to 1 2040: 2.1 to 1

Earnings Required for a Quarter of Coverage: \$970; (\$3,880 for four)

Coverage Thresholds for 2006: 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 2006

-For pre-FRA months in year attaining FRA: \$33,240 annually, \$2,770 monthly (\$1 for \$3 withholding rate)

-Under FRA: \$12,480 annually, \$1,040 monthly (\$1 for \$2 withholding rate)

Supplementary Medical Insurance Premium: \$88.50

Substantial Gainful Activity: \$860/mo. non-blind, disabled; \$1,450/mo. Blind

Trial Work Period Service Month: \$620/mo.

Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2006)

Primary Insurance Amount (PIA)

90% of first \$656 of AIME, plus
 32% of AIME over \$656 thru \$3,955, +
 15% of AIME over \$3,955

OASI Maximum Family Benefit (MFB)

150% of first \$838 of PIA, plus
 272% of PIA over \$838 thru \$1,210 +
 134% of PIA over \$1,210 thru \$1,578, +
 175% of PIA over \$1,578

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

Average Monthly Benefits:

Average Monthly Benefits:	12/04	12/05
Retired worker:	\$955	\$1,002
Retired worker and aged spouse:	\$1,574	\$1,648
Disabled worker:	\$894	\$938
Disabled worker, spouse and children:	\$1,496	\$1,571
Aged widow(er):	\$920	\$966
Widowed mother/father and 2 children:	\$1,950	\$2,049

Benefits for 2006 Retirees:

	Age 62 (FRA 66) PIA	Age 62 (FRA 66) Benefit	FRA (Age 65 + 6 mos.) PIA	FRA (Age 65 + 6 mos.) Benefit
Scaled low earner (45% of avg. wages):	\$ 808.30	\$ 609	\$ 814.40	\$ 814
Scaled medium earner:	1,331.80	1,003	1,341.90	1,341
Maximum earner:	2,030.00	1,530	2,053.20	2,053

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 12/05):

Total OASDI beneficiaries:	48.4 million
Retired workers and family members:	33.4 million
Retired workers:	30.4 million
Spouses:	2.5 million
Children:	0.5 million
Survivors of deceased workers:	6.7 million
Aged surviving spouses:	4.4 million
Disabled surviving spouses:	0.2 million
Surviving spouses w/ child-in-care:	0.2 million
Children:	1.9 million
DI beneficiaries:	8.3 million
Disabled workers:	6.5 million
Spouses:	0.2 million
Children:	1.6 million

Number of OASDI Children Beneficiaries (12/05):

Total:	4,024,924
Children under age 18:	3,129,506
Students aged 18-19:	126,877
Disabled Children aged 18 and older:	768,535

COLA: Increase payable in January 2006 benefits – 4.1 percent**Special Minimum PIA (12/05):**

Approximately \$34.10 per year of coverage over 10 years; highest special minimum PIA = \$682.70 (30 years of coverage)

Minimum Earnings for Year of Coverage:	2005	2006
Special Minimum:	\$10,035	\$10,485
Windfall Elimination Provision:	\$16,725	\$17,475

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: 2004: \$35,649 2005: \$36,600 (est.) 2006: \$38,137 (est.)

OASDI Administrative Expenses (FY 2005):

OASDI Administrative Expenses (FY 2005):	OASI	DI	OASDI
Amount (in billions)	\$ 2.4	\$2.3	\$4.6
Percent of Benefit Payments	0.5%	2.7%	0.9%

Numbers may not add due to rounding of individual components.

SSI Payment Standard: \$603 individual, \$904 couple (effective 01/06)

Number of SSI Beneficiaries and Average Payments (11/05):

	Beneficiaries	Average Payments
Total:	7,135,953	\$436
Aged	1,221,547	\$359
Blind & Disabled	5,914,406	\$452
SSI Beneficiaries by Age:		
Under 18	1,041,406	\$513
Age 18-64	4,091,524	\$453
Age 65 and Over	2,003,023	\$361

SSI Expenditures FY 2005

(Excludes accelerated payment due 10/01/05)

Federal SSI payments	\$35.5 billion
Federally Administered State Supplements	\$4.2 billion

Number of people receiving monthly benefits from SSA (12/05):

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 2004

99.5% of payment outlays without an overpayment

99.8% of payment outlays without an underpayment

SSI Program Dollar Accuracy Rate (Non-medical Factors) -- FY 2004

93.6% of payment outlays without overpayment

98.7% of payment outlays without underpayment

DDS Accuracy Rate for Initial Disability Decisions – FY 2004

96.4% - Overall performance accuracy rate

OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2006 Trustees Report):

Calendar Year	Funds' Assets			
	Income	Outgoing	Net Increase	EOY Balance
2005	\$702	\$530	\$172	\$1,859
2006 (est)	\$741	\$564	\$177	\$2,035

Key dates from 2006 OASDI Trustees Report: (using intermediate assumptions)

- 2015 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.
- 2040 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 74% of the expected benefits.

Estimated long-range deficit: 2.02 percent of taxable payroll.

Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (55.0 million calls handled in FY 2005)

SSA Online: <http://www.socialsecurity.gov> (41.0 million visits to this website in FY 2005)

Congressional Relations Staff: (410) 965-3929

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