

2016 Social Security/SSI/Medicare Information

Social Security Program

- Tax Rate: Employee ----- 7.65% (6.20% - OASDI, 1.45% - HI)¹
Employer ----- 7.65% (6.20% - OASDI, 1.45% - HI)
Self-employed ----- 15.30% (12.40% - OASDI, 2.90% - HI)
- Maximum Taxable Earnings Base: OASDI - \$118,500; HI - No limit
- Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee:	\$7,347	No limit
Employer:	\$7,347	No limit
Self-employed:	\$14,694	No limit
- OASDI Covered Workers (est. – in millions, CY 2015):

<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
156.7	18.8	167.6
- Percent of workers in paid employment or self-employment who are covered: 94%
- Estimated Worker/Beneficiary Ratio:

2015: 2.8 to 1	2040: 2.1 to 1
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- Earnings Required for a Quarter of Coverage in 2016: \$1,260 (\$5,040 for four)
- Coverage Thresholds for 2016: Self Employment: \$400; Domestic Employment: \$2,000;
Election Workers: \$1,700
- Retirement Test Exempt Amounts:
 - No test beginning with month of attaining full retirement age (FRA)
 - For pre-FRA months in year attaining FRA: \$41,880 annually, \$3,490 monthly (\$1 for \$3 withholding rate)
 - Under FRA: \$15,720 annually, \$1,310 monthly (\$1 for \$2 withholding rate)
- 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
- Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2016)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$856 of AIME, +	150% of first \$1,093 of PIA, +
32% of AIME over \$856 through \$5,157, +	272% of PIA over \$1,093 through \$1,578, +
15% of AIME over \$5,157	134% of PIA over \$1,578 through \$2,058, +
	175% of PIA over \$2,058

(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)
- Average Monthly Benefits:²

	<u>11/15</u>
Retired worker:	\$1,340
Retired worker and aged spouse:	2,210
Disabled worker:	1,166
Disabled worker, spouse, and children:	1,984
Aged widow(er):	1,285
Widowed mother/father and 2 children:	2,647

¹ The *Affordable Care Act* increased the HI tax by 0.9 percent for single filers with wages above \$200,000 and joint filers with wages above \$250,000, which began in January, 2013.

² Average Monthly benefit changes based on the number of beneficiaries awarded benefits as well as the number of beneficiaries who come off of the Social Security rolls monthly.

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|--------------------------------------|------------------------|----------------|---------------------|----------------|
| <u>Benefits for 1/2016 Retirees:</u> | <u>Age 62 (FRA 66)</u> | | <u>FRA (Age 66)</u> | |
| | <u>PIA</u> | <u>Benefit</u> | <u>PIA</u> | <u>Benefit</u> |
| Scaled low earner | \$1,053.90 | \$790 | \$993.30 | \$993 |
| Scaled medium earner | 1,735.20 | 1,301 | 1,636.60 | 1,636 |
| Maximum earner | 2,787.80 | 2,090 | 2,639.40 | 2,639 |
- Long-Range Constant Pre-Retirement Earnings Replacement Rate: Retirement at Age 67 in 2030 or later
 Scaled low earner: 55%; Scaled medium earner: 41%; Maximum earner: 27%
- | | |
|---|-------------|
| <u>Minimum Earnings for "Year of Coverage" (WEP):</u> | <u>2016</u> |
| --Special Minimum: | \$13,230 |
| --Windfall Elimination Provision: | \$22,050 |
- Maximum Amount of Windfall Elimination Provision (WEP) reduction: 2015 (latest figure): \$413
- Substantial Gainful Activity: \$1,130/mo. for non-blind, disabled; \$1,820/mo. for blind.
- Trial Work Period Service Month: \$810/mo.
- Number of OASDI Beneficiaries (as of 11/15):

--Total OASDI beneficiaries:	59.9 million
--Retired workers and family members:	43.0 million
--Retired workers:	40.0 million
--Spouses:	2.3 million
--Children:	0.6 million
--Survivors of deceased workers:	6.1 million
--Aged surviving spouses:	3.8 million
--Disabled surviving spouses:	0.3 million
--Surviving spouses w/ child-in-care:	0.1 million
--Children:	1.9 million
--DI beneficiaries:	10.8 million
--Disabled workers:	8.9 million
--Spouses:	0.1 million
--Children:	1.8 million
- Number of OASDI Children Beneficiaries (11/15):

-Total:	4,283,707
-Children under age 18:	3,105,928
-Students:	110,517
-Disabled Children:	1,067,262
- Special Minimum PIA (effective 12/2014 latest data):
 The highest special minimum PIA = \$829.80 (30 years of coverage)
- Other Revenue -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>	<u>Where Revenue Goes</u>
up to 50%	\$25,000 - \$34,000	Individual	OASDI
	\$32,000 - \$44,000	Joint	OASDI
up to 85%	\$34,000 +	Individual	HI
	\$44,000 +	Joint	HI
- Average Wage Level: 2014: \$46,481.52 2013: \$44,888.16
- OASDI Administrative Expenses (excluding Treasury administrative costs) FY 2015:

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 3.0	\$2.8	\$5.8
Percent of Benefit Payments	0.4%	2.0%	0.7%
- OASDI Benefit Payments FY 2015:
 OASI: \$733.7 billion
 DI: 142.8 billion
 OASDI: 876.5 billion

- OASDI/DI Trust Funds' Operations (in billions based on intermediate assumptions in 2015 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2014	\$884	\$859	\$25	\$2,789
2015 (estimated)	914	905	9	2,799

- Key Dates from 2015 OASDI Trustees Report (intermediate assumptions) as modified by Bipartisan Budget Act:
 - 2010 OASDI expenditures exceeded tax income and remained in excess thereafter.
 - 2020 OASDI expenditures exceed total income and remain in excess thereafter.
 - 2022 DI Trust Fund asset reserves are depleted. At that time, current Social Security taxes would support 89% of the expected DI benefits.
 - 2034 Combined OASDI Trust Funds asset reserves are depleted. At that time, current Social Security taxes would support about 79% of the expected OASDI benefits.
- Estimated long-range deficit: 2.68 percent of taxable payroll.
- Percent of Beneficiaries (by Sex) Receiving Social Security benefits in 2014 (latest data available):
55% Women 45% Men
- Social Security income as a percent of total income of beneficiaries in 2013 (latest data available)
51% of aged couples and 74% of unmarried aged individuals depend on Social Security for 50% or more of income
21% of aged couples and 46% of unmarried aged individuals depend on Social Security for 90% or more of income

SSI Program

SSI Payment Standard: (Federal Maximum) \$733 individual, \$1,100 couple

- Resource Limits:
Individual----- \$2,000
Couple----- \$3,000
- Number of SSI Recipients and Average Federally Administered Payment—All Sources (as of 11/15):

	<u>Recipients</u>	<u>Average Payments</u>
Total-----	8,365,666	\$541
Aged -----	1,166,825	426
Blind and Disabled -----	7,198,841	559
 SSI Recipients by Age:		
Under 18 -----	1,275,596	\$649
Age 18-64 -----	4,926,009	560
Age 65 and Over -----	2,164,061	434

- SSI Expenditures FY 2015
- Federal SSI payments ----- \$54.6 billion
- Federally Administered State Supplements ----- \$2.6 billion

Social Security and SSI Information

- Number of people receiving monthly benefits from SSA (as of 11/15):
 - OASDI Benefits only ----- 56.7 million
 - SSI Benefits only ----- 5.6 million
 - OASDI and SSI Benefits Concurrently --- 2.8 million
 - Total----- 65.1 million
- Program Accuracy (latest data):
 - OASDI Program Dollar Accuracy Rate (Nonmedical Factors) – FY 2014
 - 99.5% of payment outlays without an overpayment
 - 99.9% of payment outlays without an underpayment
 - SSI Program Dollar Accuracy Rate (Nonmedical Factors) – FY 2014
 - 93.1% of payment outlays without an overpayment
 - 98.5% of payment outlays without an underpayment
 - DDS Accuracy Rate for Initial Disability Decisions – FY 2014
 - 97.8% - Overall performance accuracy rate

Medicare Program³

- Number of HI/SMI Enrollees (FY 2015):

Total HI and/or SMI enrollees-----	55.3 million
Aged-----	46.3 million
Disabled-----	9.0 million
Total SMI enrollees-----	50.4 million
Aged-----	42.2 million
Disabled-----	8.2 million

- Part A Hospital Insurance Monthly Premium (2016)

Fully Insured	\$0
30+ credits	\$226
Fewer than 30 credits	\$411

- Part B Supplementary Medical Insurance Premium (2016): \$121.80 to \$389.80 (Depends on income). Annual deductible is \$166.

- Income-Related Monthly Adjustment Amount (IRMAA) Information:

Number of Beneficiaries Affected: IRMAA/Part B – 3.33 million in 2016

IRMAA/Part D – 2.41 million in 2016

<u>*Modified Adjusted Gross Income (MAGI)</u>		<u>Total Monthly Part B Premium</u>	<u>IRMAA Part D⁴</u>
<u>Single</u>	<u>Married Couple</u>		
\$85,000 or less	\$170,000 or less	\$121.80 (standard premium)	\$ 0.00
\$85,000.01-107,000.00	\$170,000.01-214,000.00	\$170.50	\$12.70
\$107,000.01-160,000.00	\$214,000.01-320,000.00	\$243.60	\$32.80
\$160,000.01-214,000.00	\$320,000.01-428,000.00	\$316.70	\$52.80
\$214,000.01 or more	\$428,000.01 or more	\$389.80	\$72.90
<u>Married, Filing Separately</u>			
\$85,000 or less		\$121.80 (standard premium)	\$ 0.00
\$85,000.01-129,000.00		\$316.70	\$52.80
\$129,000.01 or more		\$389.80	\$72.90

- Medicare Part D Subsidy Eligibility Requirements:

GENERAL – Individual must:

- Be entitled to Part A or enrolled in Part B* (or both);
- Be enrolled in prescription drug plan and live in a service area (excludes the incarcerated);
- Reside in 50 States or D.C.;
- File an application, and;
- Have income and resources within specified limits.

- 2015 Income Limits (latest numbers)*

- Full Subsidy – Below 135% of poverty guidelines (below \$15,889 for an individual and \$21,505 for 2 person family in contiguous States and D.C. of the U.S.)
- Partial Subsidy – Between 135%-150% of poverty guidelines (between \$15,889 and \$17,655 for an individual: between \$21,505 and \$23,895 for 2 person family in contiguous States and D.C. in the U.S.)
- Amounts adjusted annually based on federal poverty levels (FPL)

2016 Resource Limits*

- Full Subsidy – \$8,780 individual/\$13,930 married couple living together
- Partial Subsidy – \$13,640 individual/\$27,250 married couple living together
- Amount adjusted annually based on CPI

*Includes burial fund exclusion

Resources/Contacts

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

Number of calls to the 800 # FY 2015: 72,162,874

SSA Online: <https://www.socialsecurity.gov>

Constituent Relations Staff: (410) 965-3929

Congressional Affairs Staff: (202) 358-6030

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

Medicare Online: <https://www.medicare.gov>

³ The Affordable Care Act includes a 3.8% imposed surtax on unearned income for individuals/couples with MAGI above \$200/\$250k.

⁴ Part D premium depends on each individual's plan. The amounts shown in the column are added to the plan's premium.