2018 Social Security/SSI/Medicare Information

Social Security Program (Old Age, Survivors and Disability Insurance – OASDI)

- **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: $128,400
  - HI (Hospital Insurance): No limit

- **Maximum Federal Insurance Contributions Act (FICA) /Self Employed Contributions Act (SECA) Taxes:**

<table>
<thead>
<tr>
<th></th>
<th>OASDI</th>
<th>HI (Medicare)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee:</td>
<td>$7,960.80</td>
<td>No limit</td>
</tr>
<tr>
<td>Employer:</td>
<td>$7,960.80</td>
<td>No limit</td>
</tr>
<tr>
<td>Self-employed:</td>
<td>$15,921.60</td>
<td>No limit</td>
</tr>
</tbody>
</table>

- **OASDI Covered Workers (est. -- in millions, CY 2017):**
  - Wages: 161.1
  - Self-employed: 20.3
  - Combined: 172.8

- **Percent of workers in paid employment or self-employment who are covered:** 94%

- **Estimated Worker/Beneficiary Ratio:**
  - 2017: 2.8 to 1
  - 2040: 2.1 to 1

- **Earnings Required for a Quarter of Coverage in 2018:**
  - $1,320 ($5,280 for four)

- **Coverage Thresholds for 2018:**
  - Self Employment: $400
  - Domestic Employment: $2,100
  - Election Workers: $1,800

- **Retirement Test Exempt Amounts:**
  - No test beginning with month of attaining full retirement age (FRA)
  - For pre-FRA months in year attaining FRA: $45,360 annually, $3,780 monthly ($1 for $3 withholding rate)
  - Under FRA: $17,040 annually, $1,420 monthly ($1 for $2 withholding rate)

- **Substantial Gainful Activity:**
  - $1,180/mo. for non-blind, disabled; $1,970/mo. for blind.

- **Trial Work Period Service Month:** $850/mo.

- **Minimum Earnings for “Year of Coverage” (WEP):**
  - Special Minimum: $14,310
  - Windfall Elimination Provision (WEP): $23,850

- **Formulae Bend Points:**

<table>
<thead>
<tr>
<th>Primary Insurance Amount (PIA)</th>
<th>OASI Maximum Family Benefit (MFB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% of first $895 of AIME, plus</td>
<td>150% of first $1,144 of PIA, plus</td>
</tr>
<tr>
<td>32% of AIME over $895 through $5,397 +</td>
<td>272% of PIA over $1,144 through $1,651+</td>
</tr>
<tr>
<td>15% of AIME over $5,397</td>
<td>134% of PIA over $1,651 through $2,154 +</td>
</tr>
</tbody>
</table>

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

- **Average Monthly Benefits:**
  - All retired workers: $1,404
  - Retired worker and aged spouse: $2,340
  - All disabled workers: $1,197
  - Disabled worker, spouse, and children: $2,054
  - All aged widow(er)s: $1,338
  - Widowed mother/father and 2 children: $2,743

- **Benefits for 1/2018 Retirees:**
  - Age 62 (FRA 66 & 4)
  - FRA (Age 66)

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\(^1\) 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, beginning 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.
Scaled low earner: $1,118.90  Benefit: $820  PIA: $1,049.60  Benefit: $1,049
Scaled medium earner: $1,842.40  Benefit: $1,351  PIA: $1,728.50  Benefit: $1,728
Maximum earner: $2,969.50  Benefit: $2,177  PIA: $2,794.40  Benefit: $2,794

- 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%

- Number of OASDI Beneficiaries (as of 12/17):
  - Total OASDI beneficiaries: 61.9 million
  - Retired workers and family members: 45.5 million
    - Retired workers: 42.4 million
    - Spouses: 2.4 million
    - Children: 0.7 million
  - Survivors of deceased workers: 6.0 million
    - Aged surviving spouses: 3.7 million
    - Disabled surviving spouses: 0.3 million
    - Surviving spouses w/ child-in-care: 0.1 million
    - Children: 1.9 million
  - DI beneficiaries: 10.4 million
    - Disabled workers: 8.7 million
    - Spouses: 0.1 million
    - Children: 1.6 million

- Number of OASDI Children Beneficiaries (12/17):
  - Total: 4,168,641
  - Children under age 18: 2,937,845
  - Students: 125,391
  - Disabled Children: 1,105,405

- Special Minimum PIA (effective 12/2017): The highest special minimum PIA = $848.80 (30 years of coverage)

- Full Retirement Age Schedule — by Year of Birth:

- Other Revenue -- % of Benefits Taxed:
  - % Taxed  Income Threshold  Filing Status  Where Revenue Goes
  - 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: 2015: $48,098.63   2016: 48,642.15

- Maximum Amount of Windfall Elimination Provision (WEP) reduction: 2018: $447.5

- OASDI Administrative Expenses (excluding Treasury administrative costs) FY 2017:
  - OASI: $3.0 billion
  - DI: $2.6 billion
  - OASDI: $5.6 billion
  - Percent of Benefit Payments: 0.4%  1.8%  0.6%

- OASDI Benefit Payments FY 2017:
  - OASI: $791.1 billion
  - DI: $142.8 billion
  - OASDI: $933.9 billion


<table>
<thead>
<tr>
<th>Funds’ Assets</th>
<th>Calendar Year</th>
<th>Income</th>
<th>Outgo</th>
<th>Net Incr</th>
<th>End Of Year (EOY) Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$957</td>
<td>$922</td>
<td>$35</td>
<td>$2,848</td>
<td></td>
</tr>
</tbody>
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Key Years from 2017 OASDI Trustees Report (using intermediate assumptions):
2010 OASDI expenditures exceeded tax income and remained in excess thereafter.
2022 OASDI expenditures exceed total income and remain in excess thereafter.
2028 DI Trust Fund asset reserves are scheduled to be depleted. (At that time, current Social Security taxes would support about 93% of the expected DI benefits.)
2034 OASDI Trust Fund asset reserves are scheduled to be depleted. (At that time, current Social Security taxes would support about 77% of the expected OASDI benefits.)

Estimated long-range deficit: 2.83 percent of taxable payroll.
Percent of Beneficiaries (by Sex) Receiving Social Security benefits in 2016 (latest data available):
55% Women 45% Men
Social Security income as a percent of total income of beneficiaries in 2015 (latest data available):
50% of aged couples and 71% of unmarried aged individuals depend on Social Security for 50% or more of income
23% of aged couples and 43% of unmarried aged individuals depend on Social Security for 90% or more of income

Supplemental Security Income (SSI) means-tested Program
SSI Payment Standard (in calendar year 2018): (Federal Maximum) $750 individual, $1,125 couple
Resource Limits:
Individual-------------------   $2,000
Couple-----------------------  $3,000
Number of SSI Recipients and Average Federally Administered Payment—All Sources (as of 12/17):

<table>
<thead>
<tr>
<th>Recipients</th>
<th>Average Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total------------------</td>
<td>$ 542</td>
</tr>
<tr>
<td>Aged</td>
<td>429</td>
</tr>
<tr>
<td>Blind and Disabled</td>
<td>561</td>
</tr>
</tbody>
</table>

SSI Recipients by Age:
Under 18               | $ 647            |
Age 18-64              | 564              |
Age 65 and Over        | 437              |

SSI Expenditures FY 2017:
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 12/17):
-OASDI Benefits only ------------------------    59.2 million
-SSI Benefits only --------------------------    5.5 million
-OASDI and SSI Benefits Concurrently ---      2.8 million
Total--------------   67.4 million

Program Accuracy (latest data):
OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2016 (latest data)
-- 99.8% of payment outlays without an overpayment
-- 99.9% of payment outlays without an underpayment
SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2016 (latest data)
-- 92.4% of payment outlays without an overpayment
-- 98.8% of payment outlays without an underpayment
Disability Determination Services (DDS) Accuracy Rate for Initial Disability Decisions – FY 2017 (latest data)
-- 97.3% - Overall performance accuracy rate

Medicare Program3 (Hospital Insurance and Supplemental Medical Insurance)
Number of HI/SMI Enrollees (FY 2017):
Total HI and/or SMI enrollees---------------------------------58.2 million
Aged--------------------------------------------------------49.2 million
Disabled-----------------------------------------------------8.9 million
Total SMI enrollees------------------------------------------53.2 million

3 The Affordable Care Act includes a 3.8% imposed surtax on unearned income for individuals/couples with MAGI above $200/$250k.
   Fully Insured $0
   30+ credits $232
   Fewer than 30 credits $422

• Part B Supplementary Medical Insurance Premium (2018): $134 to $428.60 (Depends on income). Annual deductible is $183.

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

<table>
<thead>
<tr>
<th>Number of Beneficiaries Affected:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>IRMAA/Part B – 3.54 million in 2017</td>
<td></td>
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<tr>
<td>IRMAA/Part D – 2.63 million in 2017</td>
<td></td>
</tr>
</tbody>
</table>

• Modified Adjusted Gross Income (MAGI) | Total Monthly Part B Premium | IRMAA Part D 4 |
| Single | Married Couple | $134.00 (standard premium) | $ 0.00 |
| $85,000 or less | $170,000 or less | $134.00 (standard premium) | $ 0.00 |
| $85,000.01-107,000.00 | $170,000.01-214,000.00 | $187.50 | $13.30 |
| $107,000.01-133,500.00 | $214,000.01-267,000.00 | $267.90 | $33.60 |
| $133,500.01-160,000.00 | $267,000.01-320,000.00 | $348.30 | $54.20 |
| $160,000.01 or more | $320,000.01 or more | $428.60 | $74.80 |

| Married, Filing Separately | | |
| $85,000 or less | $134.00 (standard premium) | $ 0.00 |
| More than $85,000 | $428.60 | $74.80 |

• Medicare Part D Subsidy Eligibility Requirements (pharmaceuticals coverage):

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.

2017 Income Limits (latest numbers)
--Full Subsidy – Below 135% of poverty guidelines (below $16,281 for an individual and $21,924 for a 2 person family in contiguous States and D.C. of the U.S.)
--Partial Subsidy – Between 135%-150% of poverty guidelines (between $16,281 and $18,090 for an individual: between $21,924 and $24,360 for 2 person family in contiguous States and D.C. in the U.S.)
--Amounts adjusted annually based on federal poverty levels (FPL)

2018 Resource Limits*
--Full Subsidy – $ 9,060 individual/$14,340 married couple living together
--Partial Subsidy – $ 14,100 individual/$ 28,150 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
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

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