

## 2020 Social Security/SSI/Medicare Information

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

2020 Maximum Taxable Earnings Base:

OASDI-- \$ 137,700; HI (Hospital Insurance)-- No limit

<u>Federal Tax Rate</u>		<u>Max OASDI</u>	<u>Max HI</u>
Employee	7.65% ( 6.20% - OASDI, 1.45% - HI) <sup>1</sup>	\$ 8,537.40	No limit
Employer	7.65% ( 6.20% - OASDI, 1.45% - HI)	\$ 8,537.40	No limit
Self-employed	15.30% (12.40% - OASDI, 2.90% - HI)	\$17,074.80	No limit

Earnings Required for Work Credit (Quarter of Coverage) in 2020: \$1,410 (\$5,640 for four)

Full Retirement and Age 62 Benefit (by Year of Birth):

1938 - 65/2 mos.	1942 - 65/10 mos.	1957 - 66/6 mos.
1939 - 65/4 mos.	1943 - 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

Benefits for Retirees (1/2020)<sup>2</sup>:

	<u>Age 62</u>		<u>Full Retirement Age (FRA)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner	\$1,181.40	\$ 846	\$1128.50	\$1,128
Scaled medium earner	\$1,944.90	\$1,393	\$1,860.30	\$1,860
Maximum earner	\$3,142.70	\$2,252	\$3,011.50	\$3,011

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%

Coverage Thresholds for 2020:

<u>Self-Employment</u>	<u>Domestic Employment</u>	<u>Election Workers</u>
\$ 400	\$2,200	\$1,900

OASDI Covered Workers (est.in millions, Calendar Year (CY) 2019):

<u>Wage</u>	<u>Self-employed</u>	<u>Combined</u>
166.4	20.2	177.6

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

Estimated Worker/Beneficiary Ratio:

<u>2019</u>	<u>2040</u>
2.8 to 1	2.2 to 1

CY 2020 Retirement Test Annual Exempt Amounts:

- Retirement earnings test applies only to people below FRA.
- Annual exempt amount in years before the year FRA attained- \$18,240 (\$1 for \$2 withholding rate).
- Annual exempt amount in year FRA attained - \$48,600 (\$1 for \$3 withholding rate).

<sup>1</sup> 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.

<sup>2</sup> This table provides information on the benefits a typical person would receive at certain ages if his or her career earnings averaged about 45% of the national average wage index (a low earner), 100% of that index (a medium earner), or the maximum amount subject to the Social Security payroll tax. To make the low and medium earner estimates more accurate, we “scale” the hypothetical earnings, meaning that we adjust the pattern in which they are earned over the career to reflect the fact that real people tend to earn more at certain ages.

Primary Insurance Amount (PIA) Formula Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2020).

<u>PIA Formula</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$960 of AIME <sup>3</sup> , plus	150% of first \$1,226 of PIA, plus
32% of AIME over \$960 through \$5,785, plus	272% of PIA over \$1,226 through \$1,770, plus
15% of AIME over \$5,785	134% of PIA over \$1,770 through \$2,309, plus
	175% of PIA over \$2,309

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

<u>Average Monthly Benefits Payable in 11/2019<sup>4</sup></u>	<u>Before 1.6% COLA</u>	<u>After 1.6% COLA</u>
All retired workers	\$1,479	\$1,503
Aged couple, both receiving benefits	\$2,491	\$2,531
Widowed mother/father and two children	\$2,888	\$2,934
Aged widow(er) alone	\$1,400	\$1,422
Disabled worker, spouse and one or more children	\$2,141	\$2,176
All disabled workers	\$1,238	\$1,258

Substantial Gainful Activity: \$1,260/mo. for non-blind, disabled; \$2,110/mo. for blind.

Trial Work Period Service Month: \$910/mo.

Number of OASDI Beneficiaries (as of 12/19):

Total OASDI beneficiaries:	64.0 million
Retired workers and family members:	48.2 million
Retired workers:	45.1 million
Spouses:	2.4 million
Children:	0.7 million
Survivors of deceased workers:	5.9 million
Aged surviving spouses:	3.6 million
Disabled surviving spouses:	0.2 million
Surviving spouses w/ child-in-care:	0.1 million
Children:	1.9 million
DI beneficiaries:	9.9 million
Disabled workers:	8.4 million
Spouses:	0.1 million
Children:	1.4 million

Number of OASDI Children Beneficiaries (11/19):

Total:	4,049,177
Children under age 18:	2,812,802
Students:	96,217
Disabled Children:	1,140,158

Special Minimum PIA (effective 12/2019):

The highest special minimum PIA = \$886.40 (30 years of coverage)

Maximum Amount of Windfall Elimination Provision (WEP) reduction (2020): \$480

**Supplemental Security Income (SSI) means-tested Program**

	<u>Individual</u>	<u>Couple</u>
SSI Federal Benefit Rate (Federal Monthly Maximum) CY 2020	\$ 783	\$1,175
Resource Limits	\$2,000	\$3,000

<sup>3</sup> Average Index Monthly Earnings

<sup>4</sup> Average Monthly benefit changes over time based on the number of beneficiaries awarded benefits as well as the number of beneficiaries who come off of the Social Security rolls monthly.

Number of SSI Recipients and Average Federally Administered Payment All Sources (as of 10/19):

	<u>Recipients</u>	<u>Average Payments</u>
Total	8,071,344	\$567
Aged	1,167,718	\$450
Blind and Disabled	6,903,626	\$587
SSI Recipients by Age:		
Under 18	1,125,210	\$676
Age 18-64	4,651,054	\$595
Age 65 and Over	2,295,080	\$459
<u>SSI Expenditures FY 2019:</u>		
Federal SSI payments	\$60.0 billion	
Federally Administered State Supplement	\$ 2.8 billion	

**Medicare Program<sup>5</sup> (Hospital Insurance and Supplemental Medical Insurance)**

Total HI and/or SMI enrollees	61.0 million
Aged	52.3 million
Disabled	8.7 million
Total SMI enrollees	55.5 million
Aged	47.6 million
Disabled	7.9 million

<u>Part A Hospital Insurance:</u>	<u>Monthly Premium (CY 2020)</u>
Fully Insured	\$000
30+ credits	\$252
Fewer than 30 credits	\$458

<u>Part B Supplementary Medical Insurance Premium (CY 2020):</u>	\$144.60 to \$491.60 (Depends on income)
Annual deductible is \$198.	

Income-Related Monthly Adjustment Amount (IRMAA):

<u>Program</u>	<u>Number of Beneficiaries Affected</u>
IRMAA/Part B	4,635,801 (Premium Year 2020)
IRMAA/Part D	3,760,399 (Premium Year 2020)

<u>Modified Adjusted Gross Income</u>		<u>Total Monthly Part B Premium</u>	<u>IRMAA Part D <sup>6</sup></u>
<u>Single</u>	<u>Married</u>		
\$87,000 or less	\$174,000 or less	\$144.60 (standard premium)	\$ 0.00
\$87,000.01-109,000.00	\$174,000.01-218,000.00	\$202.40	\$12.20
\$109,000.01-136,000.00	\$218,000.01-272,000.00	\$289.20	\$31.50
\$136,000.01-163,000.00	\$272,000.01-326,000.00	\$376.00	\$50.70
\$163,000.01-499,999.99	\$326,000.01-749,999.99	\$462.70	\$70.00
\$500,000 or greater	\$750,000 or greater	\$491.60	\$76.40
<u>Married, Filing Separately</u>			
\$87,000 or less		\$144.60 (standard premium)	\$ 0.00
\$87,000.01-\$412,999.99		\$462.70	\$70.00
\$413,000 or greater		\$491.60	\$76.40

<sup>5</sup> The Affordable Care Act includes a 3.8% imposed surtax on unearned income for individuals/couples with Modified Adjusted Gross Income above \$200/\$250k.

<sup>6</sup> Part D premium depends on each individual's plan. The amounts shown in the column are added to the plan's premium.

Medicare Part D Extra Help Eligibility Requirements:

GENERAL – Individual must:

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

2020 Extra Help Income Limits (latest numbers)

Full Subsidy – Below 135% of poverty guidelines (below \$17,226 for an individual and \$23,274 for 2 person family in contiguous States and D.C. in the U.S.).

Partial Subsidy – Between 135%-150% of poverty guidelines (between \$17,226 and \$19,140 for an individual. Between \$23,274 and \$25,860 for 2 person family in contiguous States and D.C. in the U.S.).

Amounts adjusted annually based on federal poverty guidelines.

2020 Extra Help Resource Limits<sup>7</sup>

Full Subsidy – \$ 9,360 individual/\$14,800 married couple living together

Partial Subsidy – \$ 14,610 individual/\$ 29,160 married couple living together

Amount adjusted annually based on CPI.

**Trust Fund and Miscellaneous Program Data**

Other Revenue (% of Benefits Taxed):

<u>Filing Status</u>	<u>% Taxed</u>	<u>Income Threshold</u>	<u>Where Revenue Goes</u>
Individual	up to 50%	\$25,000 - \$34,000	OASDI
Joint	up to 50%	\$32,000 - \$44,000	OASDI
Individual	up to 85%	\$34,000 plus	HI
Joint	up to 85%	\$44,000 plus	HI

<u>Average Wage Level:</u>	<u>2017</u>	<u>2018</u>
	\$50,321.89	\$52,145.80

OASDI Administrative Expenses (excluding Treasury administrative costs) FY 2019:

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 3.4	\$2.6	\$6.0
Percent of Benefit Payments	0.4%	1.8%	0.6%

OASDI Benefit Payments FY 2019 (Numbers may not add due to rounding of individual components):

OASI: \$888.1 billion

DI: \$144.9 billion

OASDI: \$1,033.0 billion

OASI/DI Trust Funds' Operations (in billions based on intermediate assumptions in 2019 Trustees Report)

<u>CY</u>	<u>Income</u>	<u>Cost</u>	<u>Net Incr.</u>	<u>End Of Year Balance</u>
2018	\$1,003	\$1,000	\$3	\$2,895
2019 estimated	\$1,061	\$1,060	\$1	\$2,896

Key Years from 2019 OASDI Trustees Report (using intermediate assumptions):

2010 OASDI expenditures exceeded income excluding interest and remained in excess thereafter.

2020 OASDI expenditures exceed total income and remain in excess thereafter.

2034 OASI asset reserves are scheduled to be depleted.

2035 OASDI Trust Fund asset reserves are scheduled to be depleted. (At that time, current Social Security taxes would support about 80% of the expected OASDI benefits, declining to 75 percent in 2093.).

2052 DI Trust Fund asset reserves are scheduled to be depleted. (At that time, current Social Security taxes would support about 91% of the expected DI benefits.).

<sup>7</sup> Includes burial fund exclusion

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

Beneficiaries (by Sex) Receiving Social Security benefits in 12/2018 (latest data available):  
55% Women 45% Men

Number of people receiving monthly benefits from SSA (as of 11/19):

OASDI Benefits only	61.3 million
SSI Benefits only	5.4 million
OASDI and SSI Benefits Concurrently	<u>2.7 million</u>
Total	69.4 million

Program Accuracy (FY 2018 latest data):  
OASDI Program Dollar Accuracy Rate (Nonmedical Factors)  
99.8% of payment outlays without an overpayment  
99.9% of payment outlays without an underpayment

SSI Program Dollar Accuracy Rate (Nonmedical Factors)  
91.8% of payment outlays without an overpayment  
98.5% of payment outlays without an underpayment

Disability Determination Services (DDS) Accuracy Rate for Initial Disability Decisions – FY 2019  
97.3% - Overall performance accuracy rate

Number of 800 # calls received FY 2019  
86,643,832

**Resources/Contacts**

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

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

Constituent Relations Staff: (410) 965-3930

Congressional Affairs Staff: (202) 358-6030

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

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