

ILLUSTRATIVE BENEFITS FOR RETIRED WORKERS, DISABLED WORKERS, AND SURVIVORS SCHEDULED UNDER CURRENT LAW

by Kyle Burkhalter, FSA and Karen Rose, ASA

The Social Security program provides monthly benefits to retired workers and their families, disabled workers and their families, and survivors of workers. The *progressivity* of the Social Security benefit formula provides individuals who have lower career-average earnings with monthly benefits that are a higher percentage of their career-average earnings than the percentage for those who have higher career-average earnings. For a group of *example workers* with a range of full-lifetime average earnings levels¹ at various ages in 2024, this note displays their current earnings at various ages in 2023, their full-lifetime average earnings, and the amounts they would expect to receive at benefit entitlement.

The assumptions underlying the attached tables are similar to those used in the annual Social Security Statement available online to workers and former workers aged 18 and older. The benefit amounts are calculated as specified in current law. The amounts reflect no increase in price levels or in average wage levels after 2023. Thus, the benefit estimates for workers at various ages in 2024 who would be retiring in future years are roughly comparable to their potential benefits as disabled workers and for their survivors, which both assume benefit entitlement in 2024.

All example workers, except the steady maximum worker,² have scaled earnings patterns beginning at age 21. These patterns reflect the actual average work experience of fully insured workers during 2001-2020. These patterns show relatively low wages and probability of work at young and old ages and higher relative wages and probability of work at mid-career.³ A worker is considered *fully insured* if he or she has a total number of quarters of coverage (QCs)⁴ at least equal to the number of years after attainment of age 21 through the last year considered in the analysis (in this case 2020). A further requirement is that the worker must have a minimum of 6 QCs. Since a worker achieves *permanently insured* status with 40 QCs, any worker with 40 QCs is fully insured no matter how many years have elapsed since age 21. Any *fully insured* worker is likely to become eligible for a Social Security retirement benefit if he or she survives to eligibility age. After 2023, earnings levels for workers illustrated in this note increase or decrease due solely to the scaled earnings pattern, and not due to changes in the average wage level.

The following four tables show estimated future benefits consistent with earnings in 2023 and age in 2024. Each table lists *earnings in 2023* at various ages and *annual benefit amounts* at entitlement for example workers with full-lifetime average

¹ The full-lifetime average earnings level reflects the average of the highest 35 years of wage-indexed earnings (wage-indexed to 2023) expected for the illustration assuming that the worker survives to age 65 without becoming disabled.

² For the steady maximum worker, earnings start at age 22 and are assumed to equal the taxable maximum (the OASDI benefit and contribution base) for each year through 2023. Earnings after 2023 are assumed to equal the taxable maximum of \$160,200 for 2023.

³ For more details on development of the scaled earnings patterns, see Actuarial Note Number 2024.3 at: <http://www.ssa.gov/OACT/NOTES/ran3/an2024-3.pdf>.

⁴ The QC is the basic unit for determining whether a worker is insured for Social Security benefits. In 2024, for example, a worker needed to have \$1,730 in covered earnings to obtain a QC. Workers can earn up to 4 QCs per calendar year. Since 1978, the amount of covered earnings required to obtain a QC has been automatically indexed each year with the growth in average wage levels. See: <http://www.ssa.gov/OACT/COLA/QC.html> for more information, including a list of historical QC amounts.

earnings levels¹ of \$20,000, \$40,000, \$60,000, \$80,000, \$100,000, \$120,000, and the taxable maximum. As mentioned above, the benefit amounts assume no increase in price levels or in average wage levels after 2023. Additional information about each table is provided below.

- **Table 1A: Retired Workers Who Become Entitled at Normal Retirement Age (NRA).**

This table also shows the percentage of fully insured workers with full-lifetime average earnings at or below each of the seven full-lifetime average earnings levels. We base these percentages on the earnings of a one-percent sample of individuals, aged 25 through 65, who were fully insured in 2021. For this purpose, comparisons are made to hypothetical scaled worker career average earnings at each of the applicable ages corresponding to the \$20,000, \$40,000, ... , maximum full lifetime average earnings levels. The illustrative benefits are for workers only. Additional benefits may be available for auxiliary beneficiaries such as spouses and dependent children. The NRA increased to 66 for those attaining age 62 in 2005 and 67 for those attaining age 62 in 2022 and later.

- **Table 1B: Retired Workers Who Become Entitled at Age 65.** The only difference between table 1B and table 1A is that the example workers retire at age 65 rather than at NRA, resulting in lower benefit amounts due to reduction for early retirement. The illustrative benefits are for workers only. Additional benefits may be available for auxiliary beneficiaries such as spouses and dependent children.

- **Table 2: Disabled Worker Annual Benefit Amounts.** For the seven full-lifetime average

earnings levels, table 2 provides benefit amounts assuming benefit entitlement in 2024 for disabled example workers aged 25, 35, 45, and 55. In addition, the table provides the percentage of disability insured⁵ workers with full-lifetime average earnings at or below each full-lifetime average earnings level. We base these percentages on the earnings of a one-percent sample of individuals, aged 25 through 65, who were disability insured in 2021. The illustrated benefits are for workers only. Additional benefits may be available for auxiliary beneficiaries such as spouses and dependent children.

- **Table 3: Survivor Annual Benefit Amounts.**

For the seven full-lifetime average earnings levels, table 3 provides benefit amounts assuming that the deceased example workers would have attained ages 25, 35, 45, or 60 just before dying in 2024. In each case, we assume the surviving spouse is the same age as the deceased worker and that he or she becomes entitled to benefits in 2024. The table provides benefit estimates for three scenarios of survivor beneficiaries: (1) spouse and one child (spouse only for the age 60 case), (2) one child only, and (3) spouse and two children. Because of the family maximum benefit provision, annual benefit amounts for a *spouse and two children* are the same as, or only moderately higher than, benefit amounts for a *spouse and one child*. In addition, the table provides the percentage of fully or currently insured⁶ workers with full-lifetime average earnings at or below each full-lifetime average earnings level. We base these percentages on the earnings of a one-percent sample of individuals, aged 25 through 65, who were fully or currently insured in 2021.

⁵A worker is *disability insured* if he or she is: (1) a fully insured worker who has accumulated 20 quarters of coverage during the 40-quarter period ending with the current quarter, (2) a fully insured worker aged 24-30 who has accumulated quarters of coverage during

one-half of the quarters elapsed after the quarter of attainment of age 21 and up to and including the current quarter, or (3) a fully insured worker under age 24 who has accumulated six quarters of coverage during the 12-quarter period ending with the current quarter.

⁶A worker is *currently insured* if he or she has accumulated six quarters of coverage during the 13-quarter period ending with the current quarter.

Table 1A. Retired Worker Annual Benefit Amounts ¹ Scheduled in Current Law									
For Fully Insured ² Workers at Various Ages Who Become Entitled at Normal Retirement Age (NRA) With Various Full-Lifetime Earnings Patterns ³									
Age in 2024	Age at benefit entitlement (NRA)		Earnings in 2023 and benefit at entitlement (NRA)						
25	67	Earnings in 2023.....	\$10,470	\$20,939	\$31,409	\$41,879	\$52,348	\$62,818	\$160,200
		Benefit at entitlement ...	14,880	21,276	27,672	34,080	38,472	41,472	47,508
35	67	Earnings in 2023.....	19,031	38,062	57,093	76,125	95,156	114,187	160,200
		Benefit at entitlement ...	14,880	21,276	27,672	34,080	38,472	41,472	47,688
45	67	Earnings in 2023.....	21,591	43,181	64,772	86,362	107,953	129,544	160,200
		Benefit at entitlement ...	14,880	21,276	27,672	34,080	38,472	41,472	47,904
55	67	Earnings in 2023.....	21,423	42,846	64,269	85,692	107,115	128,538	160,200
		Benefit at entitlement ...	14,880	21,276	27,672	34,080	38,472	41,472	47,988
65	66 and 10 mos.	Earnings in 2023.....	15,625	31,250	46,876	62,501	78,126	93,751	160,200
		Benefit at entitlement ...	14,508	20,796	27,084	33,372	37,500	40,452	47,004
Full-lifetime average earnings level ⁴			20,000	40,000	60,000	80,000	100,000	120,000	Maximum
Percent of fully insured workers with career average earnings at this level or below ⁵			14	36	57	72	82	89	100
¹ The assumptions underlying the above benefit estimates are similar to those used for the Social Security Statement. These estimates reflect no increase in the cost of living or average wage and earnings levels after December 2023. However, earnings after 2023 follow scaled earnings patterns as age increases. (These assumptions are not consistent with those used for table V.C7 of the 2024 Trustees Report.)									
² A worker is <i>fully insured</i> if he or she has a total number of quarters of coverage (QCs) at least equal to the number of years after attainment of age 21 through the last year considered in the analysis (in this case 2020), or through age 62 if earlier, and has a minimum of 6 QCs.									
³ Scaled earnings patterns starting at age 21 are assumed for all but the maximum worker. These scaled patterns reflect the actual average work experience of fully insured workers during 2001-2020. For the maximum worker, earnings start at age 22 and are assumed to equal the taxable maximum (the OASDI contribution and benefit base) for each year through 2023. (For 2023, this amount was \$160,200.) For more details on the scaled-earnings patterns see Actuarial Note Number 2024.3 at: http://www.ssa.gov/OACT/NOTES/ran3/an2024-3.pdf .									
⁴ The full-lifetime average earnings level reflects the average of the highest 35 years of wage-indexed earnings (wage-indexed to 2023) expected for the illustration assuming the worker survives to age 65 without becoming disabled.									
⁵ Based on a 1% sample of actual earnings histories for individuals aged 25 through 65 who were fully insured in 2021. Comparisons are made to hypothetical scaled worker career average earnings at each of the applicable ages corresponding to the \$20,000, \$40,000, ... , maximum full lifetime average earnings levels.									

Office of the Chief Actuary
Social Security Administration
December 2024

Table 1B. Retired Worker Annual Benefit Amounts¹ Scheduled in Current Law
For Fully Insured² Workers at Various Ages Who Become Entitled at Age 65 With Various Full-Lifetime Earnings Patterns³

Age in 2024	Age at benefit entitlement	Earnings in 2023 and benefit at entitlement (Age 65)							
25	65	Earnings in 2023.....	\$10,470	\$20,939	\$31,409	\$41,879	\$52,348	\$62,818	\$160,200
		Benefit at entitlement	12,888	18,444	23,988	29,532	33,336	35,940	41,172
35	65	Earnings in 2023.....	19,031	38,062	57,093	76,125	95,156	114,187	160,200
		Benefit at entitlement	12,888	18,444	23,988	29,532	33,336	35,940	41,328
45	65	Earnings in 2023.....	21,591	43,181	64,772	86,362	107,953	129,544	160,200
		Benefit at entitlement	12,888	18,444	23,988	29,532	33,336	35,940	41,520
55	65	Earnings in 2023.....	21,423	42,846	64,269	85,692	107,115	128,538	160,200
		Benefit at entitlement	12,888	18,444	23,988	29,532	33,336	35,940	41,592
65	65	Earnings in 2023.....	15,625	31,250	46,876	62,501	78,126	93,751	160,200
		Benefit at entitlement	12,732	18,252	23,772	29,292	32,916	35,508	41,112
Full-lifetime average earnings level ⁴			20,000	40,000	60,000	80,000	100,000	120,000	Maximum
Percent of fully insured workers with career average earnings at this level or below ⁵			14	36	57	72	82	89	100
¹ The assumptions underlying the above benefit estimates are similar to those used for the Social Security Statement. These estimates reflect no increase in the cost of living or average wage and earnings levels after December 2023. However, earnings after 2023 follow scaled earnings patterns as age increases. (These assumptions are not consistent with those used for table V.C7 of the 2024 Trustees Report.)									
² A worker is <i>fully insured</i> if he or she has a total number of quarters of coverage (QCs) at least equal to the number of years after attainment of age 21 through the last year considered in the analysis (in this case 2020), or through age 62 if earlier, and has a minimum of 6 QCs.									
³ Scaled earnings patterns starting at age 21 are assumed for all but the maximum worker. These scaled patterns reflect the actual average work experience of fully insured workers during 2001-2020. For the maximum worker, earnings start at age 22 and are assumed to equal the taxable maximum (the OASDI contribution and benefit base) for each year through 2023. (For 2023, this amount was \$160,200.) For more details on the scaled-earnings patterns see Actuarial Note Number 2024.3 at: http://www.ssa.gov/OACT/NOTES/ran3/an2024-3.pdf .									
⁴ The full-lifetime average earnings level reflects the average of the highest 35 years of wage-indexed earnings (wage-indexed to 2023) expected for the illustration assuming the worker survives to age 65 without becoming disabled.									
⁵ Based on a 1% sample of actual earnings histories for individuals aged 25 through 65 who were fully insured in 2021. Comparisons are made to hypothetical scaled worker career average earnings at each of the applicable ages corresponding to the \$20,000, \$40,000, ... , maximum full lifetime average earnings levels.									

Office of the Chief Actuary
Social Security Administration
December 2024

Table 2. Disabled Worker Annual Benefit Amounts For Disability Insured ¹ Workers Entitled in 2024 at Selected Ages and With Various Full-Lifetime Earnings Patterns ²								
Age at benefit entitlement in 2024		Earnings in 2023 and benefit at entitlement in 2024						
25	<i>Earnings in 2023</i>	\$10,470	\$20,939	\$31,409	\$41,879	\$52,348	\$62,818	\$160,200
	<i>Benefit at entitlement</i>	7,656	13,608	16,332	19,056	21,780	24,504	45,480
35	<i>Earnings in 2023</i>	19,031	38,062	57,093	76,125	95,156	114,187	160,200
	<i>Benefit at entitlement</i>	12,948	17,724	22,500	27,276	32,052	36,048	46,404
45	<i>Earnings in 2023</i>	21,591	43,181	64,772	86,362	107,953	129,544	160,200
	<i>Benefit at entitlement</i>	13,920	19,692	25,452	31,212	36,108	38,808	46,500
55	<i>Earnings in 2023</i>	21,423	42,846	64,269	85,692	107,115	128,538	160,200
	<i>Benefit at entitlement</i>	14,328	20,484	26,652	32,820	37,044	39,936	46,356
Full-lifetime average earnings level³		20,000	40,000	60,000	80,000	100,000	120,000	Maximum
Percent of disability insured workers with career average earnings at this level or below ⁴		9	30	52	70	81	88	100
¹ A worker is <i>disability insured</i> if he or she is: (1) a fully insured worker who has accumulated 20 quarters of coverage during the 40-quarter period ending with the current quarter, (2) a fully insured worker aged 24-30 who has accumulated quarters of coverage during one-half of the quarters elapsed after the quarter of attainment of age 21 and up to and including the current quarter, or (3) a fully insured worker under age 24 who has accumulated six quarters of coverage during the 12-quarter period ending with the current quarter. ² Scaled earnings patterns starting at age 21 are assumed for all but the maximum worker. These scaled patterns reflect the actual average work experience of fully insured workers during 2001-2020. For the maximum worker, earnings start at age 22 and are assumed to equal the taxable maximum (the OASDI contribution and benefit base) for each year through 2023. (For 2023, this amount was \$160,200.) For more details on the scaled-earnings patterns see Actuarial Note Number 2024.3 at: http://www.ssa.gov/OACT/NOTES/ran3/an2024-3.pdf . ³ The full-lifetime average earnings level reflects the average of the highest 35 years of wage-indexed earnings (wage-indexed to 2023) expected for the illustration assuming the worker survives to age 65 without having become disabled. ⁴ Based on a 1% sample of actual earnings histories for individuals aged 25 to 65 who were disability insured in 2021. Comparisons are made to hypothetical scaled worker career average earnings at each of the applicable ages corresponding to the \$20,000, \$40,000, ... , maximum full lifetime average earnings levels. Note: These estimates reflect no increase in the cost of living after December 2023.								

Office of the Chief Actuary
Social Security Administration
December 2024

Table 3. Survivor Annual Benefit Amounts									
For Survivors Entitled in 2024 at Selected Ages and With Various Full-Lifetime Earnings Patterns of the Deceased Spouse ¹									
Age of deceased spouse in 2024	Age of surviving spouse in 2024		Benefit at entitlement in 2024 and deceased spouse's earnings in 2023						
25	25	Spouse and one child.....	\$12,744	\$21,312	\$25,872	\$30,408	\$34,944	\$39,480	\$68,832
		Child only.....	6,372	10,656	12,936	15,204	17,472	19,740	34,416
		Spouse and two children...	12,756	21,324	25,872	33,180	41,412	49,176	80,340
		Earnings of deceased spouse in 2023....	10,470	20,939	31,409	41,879	52,348	62,818	160,200
35	35	Spouse and one child.....	20,064	27,888	35,712	43,536	51,360	55,896	69,768
		Child only.....	10,032	13,944	17,856	21,768	25,680	27,948	34,884
		Spouse and two children	20,064	28,620	42,804	52,800	59,928	65,232	81,432
		Earnings of deceased spouse in 2023....	19,031	38,062	57,093	76,125	95,156	114,187	160,200
45	45	Spouse and one child.....	21,024	29,832	38,616	47,400	54,504	58,632	69,816
		Child only.....	10,512	14,916	19,308	23,700	27,252	29,316	34,908
		Spouse and two children	21,036	32,136	48,084	56,268	63,612	68,412	81,456
		Earnings of deceased spouse in 2023....	21,591	43,181	64,772	86,362	107,953	129,544	160,200
60	60	Spouse and one child.....	10,248	14,664	19,080	23,496	26,508	28,572	33,060
		Child only.....	10,752	15,384	20,004	24,636	27,804	29,976	34,680
		Spouse and two children	21,504	33,840	49,668	57,936	64,884	69,948	80,928
		Earnings of deceased spouse in 2023....	19,182	38,364	57,547	76,729	95,911	115,093	160,200
Full-lifetime average earnings level ²			20,000	40,000	60,000	80,000	100,000	120,000	Maximum
Percent of fully ³ or currently ⁴ insured workers with career average earnings at this level or below ⁵			16	37	57	73	82	89	100
¹ Scaled earnings patterns starting at age 21 are assumed for all but the maximum worker. These scaled patterns reflect the actual average work experience of fully insured workers during 2001-2020. For the maximum worker, earnings start at age 22 and are assumed to equal the taxable maximum (the OASDI contribution and benefit base) for each year through 2023. (For 2023, this amount was \$160,200.) For more details on the scaled-earnings patterns see Actuarial Note Number 2024.3 at: http://www.ssa.gov/OACT/NOTES/ran3/an2024-3.pdf .									
² The full-lifetime average earnings level reflects the average of the highest 35 years of wage-indexed earnings (wage-indexed to 2023) expected for the illustration assuming the worker survives to age 65 without having become disabled.									
³ A worker is <i>fully insured</i> if he or she has a total number of quarters of coverage (QCs) at least equal to the number of years after attainment of age 21 through the last year considered in the analysis (in this case 2020), or through age 62 if earlier, and has a minimum of 6 QCs.									
⁴ A worker is <i>currently insured</i> if he or she has accumulated six quarters of coverage during the 13-quarter period ending with the current quarter.									
⁵ Based on a 1% sample of actual earnings histories for individuals aged 25 through 65 who were fully or currently insured in 2021. Comparisons are made to hypothetical scaled worker career average earnings at each of the applicable ages corresponding to the \$20,000, \$40,000, ... , maximum full lifetime average earnings levels.									
Note: These estimates reflect no increase in the cost of living after December 2023.									

Office of the Chief Actuary
Social Security Administration
December 2024