

**Table 4.—Monthly benefit amounts for selected beneficiary families with first eligibility in 1985, by average indexed monthly earnings (AIME), effective December 1985**

Beneficiary family	Average indexed monthly earnings of insured worker				
	<sup>1</sup> \$676	<sup>1</sup> \$1,272	<sup>1</sup> \$1,929	<sup>2</sup> \$3,062	<sup>3</sup> \$3,225
Primary insurance amount .....	390.40	587.00	762.10	937.20	962.50
Maximum family benefit .....	611.60	1,071.80	1,333.50	1,640.10	1,684.30
Disability maximum family benefit <sup>4</sup> .....	585.60	880.50	1,143.10	1,405.80	...
Disabled worker:					
Worker alone .....	390.00	587.00	762.00	937.00	...
Worker, spouse, and 1 child .....	584.00	879.00	1,142.00	1,405.00	...
Retired worker claiming benefits at age 62: <sup>5</sup>					
Worker alone .....	312.00	469.00	609.00	...	...
Worker with spouse claiming benefits at—					
Age 65 or older .....	507.00	762.00	990.00	...	...
Age 62 <sup>5</sup> .....	458.00	689.00	894.00	...	...
Widow or widower claiming benefits at—					
Age 65 or older <sup>6</sup> .....	390.00	587.00	762.00	...	...
Age 60 (or age 50 if disabled) .....	279.00	419.00	544.00	...	...
One surviving child .....	292.00	440.00	571.00	702.00	721.00
Widow or widower aged 65 or older and 1 child .....	611.00	1,027.00	1,333.00	1,639.00	1,683.00
Widowed mother or father and 1 child .....	584.00	880.00	1,142.00	1,404.00	1,442.00
Widowed mother or father and 2 children .....	609.00	1,071.00	1,332.00	1,638.00	1,683.00

<sup>1</sup> AIME's of \$676, \$1,272, and \$1,929 are examples for retired workers who became entitled to benefits at age 62 in 1985 and who had various levels of earnings. An AIME of \$676 would be the AIME for a hypothetical worker who earned the minimum wage for a 40-hour work-week for all 29 years used in the computation. AIME's of \$1,272 and \$1,929 are AIME's for retired workers who earned the average and maximum wages, respectively. These AIME's are also possible for disabled and deceased workers.

<sup>2</sup> Maximum AIME possible for new disabled-worker beneficiaries. Possible only in cases where an individual became disabled in 1985 and whose AIME is based on 2 years of maximum earnings in 1983 and 1984.

<sup>3</sup> Maximum possible in survivor cases. Possible only in survivor cases in which the worker dies at a young age and had his or her AIME calculated based on 2 years of maximum earnings (1984 and 1985).

<sup>4</sup> The 1980 Amendments to the Social Security Act provide for different family maximum amounts for disability cases. For disabled workers entitled after June 1980, the maximum is the smaller of 85 percent of the worker's AIME (or 100 percent of the PIA, if larger) or 150 percent of the PIA.

<sup>5</sup> Assumes maximum reduction.

<sup>6</sup> A widow(er)'s benefit amount is limited to the amount the spouse would have been receiving if still living but not less than 82 1/2 percent of the PIA.

## Social Security Related Legislation in 1985\*

During the first session of 99th Congress (January 3–December 20, 1985) the President signed into law several bills relating to programs administered by the Social Security Administration. Relevant changes in the new laws include the following:

Public Law 99-177 (enacted on December 11, 1985) provides increases in the Statutory Limit on the Public Debt and Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings Amendment). Title II of the new law, "Deficit Reduction Procedures" (generally referred to as the Gramm-Rudman-Hollings Amendment) amended the Congressional Budget and Impoundment Control Act of 1974 to require annual reductions in Federal budget deficits—as shown in both presidential and congressional budgets—in each fiscal year over the period 1986-91 sufficient to eliminate the projected deficit by the end of this period.

- If targeted reductions in the deficit in a fiscal year are not met (either enacting spending reduc-

\*This note is adapted from *Legislation of Interest to SSA During the 99th Congress, First Session* (Legislative Report No. 1), Office of Legislative and Regulatory Policy, Social Security Administration, 1986. The full report also contains sections on the significant non-enacted bills relating to social security and supplemental security income, a comparison of provisions in the Reconciliation Bill (H.R. 3128), and a listing of hearings at which Social Security Administration or other Administration witnesses testified.

tions or tax increases), a system of automatic spending cuts—equally divided between defense and domestic programs—is triggered.

—The President is required to implement broad spending reductions ("sequesters") in Federal programs sufficient to meet the targets.

—Congress is prohibited from overriding a presidential sequester order in any manner that would cause the deficit-reduction target for the year not to be met.

—Social security benefits (including cost-of-living adjustments), interest payments on the national debt, payments under the supplemental security income (SSI) and aid to families with dependent children (AFDC) programs, and certain other programs for the poor are exempt from the sequestration process. Medicare is subject to limited cuts under the new law.

—Legislation affecting social security is not in order under the rules of the House or Senate when budget reconciliation is being considered. (Nothing precludes Congress from enacting legislation affecting social security and SSI outside the reconciliation process.)

—The Social Security Administration's (SSA's) administrative expenditures are not exempt from the sequestration process.

- Trust fund receipts and expenditures would be

counted for purposes of determining the size of the deficit. However, operations of the OASI (old-age and survivors insurance) and DI (disability insurance) trust funds are removed from the unified budget beginning in fiscal year 1986; HI (hospital insurance) trust fund operations remain in the unified budget until fiscal year 1993 (as scheduled under prior law).

- Under provisions related to management of the OASI, DI, HI, and SMI (supplementary medical insurance) trust funds, the Secretary of the Treasury was required to:

—Issue to the OASI, DI, HI, and SMI trust funds obligations bearing interest rates and maturities identical with those of any obligations redeemed between August 31 and September 30, 1985, that would not have been redeemed had the debt ceiling been raised on August 1, 1985;

—Adjust the payment of interest to the trust funds on December 31, 1985, to take into account interest earnings associated with obligations that were redeemed after August 31, 1985, by reason of the debt ceiling's having been reached;

—Pay into the OASI and DI trust funds amounts sufficient to compensate them for interest losses attributable to the redemption of securities in September and October of 1984; and

—Pay into the OASI, DI, HI and/or SMI trust funds amounts sufficient to compensate them for interest losses during the period beginning with December 7, 1985, and ending with the date of enactment that are attributable to the inability to invest income to the trust funds that would have otherwise been invested but for expiration of the November 14 temporary increase in the debt ceiling.

Note: On February 7, 1986, the U.S. District Court for the District of Columbia ruled unconstitutional the sequestration provision of the Gramm-Rudman-Hollings amendment, finding that the provision vests executive power in the Comptroller General, an officer removable by Congress. The District Court's decision is being appealed to the U.S. Supreme Court, which is expected to hear arguments on the case in April or May of this year and to render a decision in June or July. The Gramm-Rudman-Hollings amendment prohibits a Federal District Court order from taking effect while an appeal to the Supreme Court is pending.

Public Law 99-80 (enacted on August 5, 1985) amends and makes permanent the Equal Access to Justice Act (EAJA), which expired on September 30, 1984.

The law clarifies that section 206(b) of the Social Security Act (relating to attorney fees in social security court cases) would not prevent an award of fees and other expenses under the EAJA. However, any fees collected by the claimant's attorney or withheld from the claimant's benefits for the attorney under section 206 have to be refunded to the claimant insofar as the fees relate to the same work for which the EAJA award is made.

Public Law 99-155 (enacted on November 14, 1985) restores to the social security (or other) trust funds securities that were disinvested in October and November 1985 as a result of the statutory debt limit having been reached.

Public Law 99-178 (enacted on December 12, 1985) provides that \$30,000,000 of the social security contingency reserve fund shall be used to finance the cost of maintaining SSA's employment level at 1,000 full-time equivalent employees above the level proposed in the President's budget for fiscal year 1986.

The House report includes language to require SSA to report to the House Committee on Appropriations concurrently with submission of the fiscal year 1987 budget on the feasibility and cost of implementing an on-line social security number verification system to permit immediate access by employers and/or individuals attempting to verify social security numbers.

Public law 99-130 (enacted on October 28, 1985) provides for the use and distribution of funds awarded to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux Indian tribes, and provides for excluding per capita distributions in determining eligibility for assistance under the Social Security Act.

Public law 99-146 (enacted on November 11, 1985) provides for use and distribution of funds appropriated in satisfaction of judgments awarded to the Lake Superior Band of Chippewa Indians in Minnesota. It provides for excluding from income and resources in determining eligibility under the Social Security Act and other Federal assistance programs such funds distributed per capita or held in trust.

Public law 99-190 (enacted on December 19, 1985) contains a provision to extend from December 31, 1985, to April 30, 1986, or, if earlier, implementation of a retirement system supplemental to social security, the period during which Federal employees covered under social security as a result of the Social Security Amendments of 1983 will contribute 1.3 percent of their salary to their Federal retirement system. Without this extension, affected employees would have been required, as of January 1, 1986, to make full contributions to their retirement system—generally, 7 percent of salary—in addition to paying OASDI taxes of 5.7 percent. (H.R. 2672, the Senate bill to establish a Federal retirement system to supplement social security, and H.R. 3660, the House bill, are awaiting House and Senate conference.)

Public law 99-198 (enacted on December 22, 1985) re-authorizes Federal farm subsidy and food stamp programs for fiscal years 1986-90. The law includes provisions to:

- Require SSA to provide food stamp information and applications to social security applicants and beneficiaries, but SSA would not be required to take any food stamp applications beyond those taken under current practice. (SSA currently takes food stamp applications from SSI applicants and recipients who live in households in which all members receive or are applying for SSI benefits.)
- Require that States (except for food stamp cash out States—California and Wisconsin) grant automatic food stamp eligibility to households composed entirely of AFDC or SSI recipients. Eligibility would be judged without regard to income and asset standards of the Food Stamp Act. The provision is effective through September 1989. A report on the provision's effect on program costs, error rates, and other factors is due within 2 years.
- Allow a limited number of States and political subdivisions to conduct projects under which a household would be considered eligible for food stamps if any member of the household receives a benefit under SSI, AFDC, or Medicaid and the household's gross income does not exceed 130 percent of the Federal poverty level. The law also requires for purposes of these projects that the Secretaries of Health and Human Services and Agriculture consult "to ensure that to the extent practicable . . . the processing of applications for, and determinations of eligibility for, food stamp benefits are simplified and are unified with the processing of applications for, and determinations of eligibility to receive, benefits under . . . the Social Security Act. . . ."

Public law 99-221 (enacted on December 26, 1985) provides that Federal employees participating in the Civil Service Retirement System (CSRS) who leave Federal service on or before December 31, 1988, to work for a tribal organization, continue to participate in the CSRS while so employed, and subsequently return to Federal employment after an absence of more than 1 year would be excluded from social security coverage upon their return to Federal employment.

Public law 99-239 (enacted on January 14, 1986) provides for U.S. approval of a compact of free association between the United States and the Federated States of Micronesia and the Marshall Islands. Approval of the compact brings the U.S. trusteeship over the Trust Territory of the Pacific Islands (TTPI) a step closer to termination. Termination of the U.S. trusteeship must be

approved by the United Nations. Upon termination of the TTPI, the U.S. social security system will apply to the Northern Mariana Islands.

## Readings in Social Security\*

The following is a sample of recent acquisitions of the Social Security Library in Baltimore.

Hausman, Jerry A. and Wise, David A., **Social Experimentation**. Chicago, IL: University of Chicago Press, 1985. 292 pages.

Addresses the question of the success of experiments dealing with potential tax policies, health insurance plans, housing subsidies, the negative income tax, and other subjects.

National Center for Health Statistics, **Health: United States, 1985**. Washington, DC: Government Printing Office, 1985.

Presents statistics about recent trends in the health care sector and discusses geographic variation in selected health statistics. The tables are organized by four major subject areas: health status and determinants, utilization of health resources, health care resources, and health care expenditures.

Organization for Economic Cooperation and Development, **Social Expenditure 1960-1990: Problems of Growth and Control**. Washington, DC: OECD, 1985. 97 pages.

Provides detailed statistics and medium-term forecasts for expenditures on education, health care, pensions, and unemployment compensation for each OECD country.

Parnes, Herbert S., **Retirement Among American Men**. Lexington, MA: Lexington Books, 1985. 236 pages.

Analyzes the individual and societal consequences of retirement. Covers reasons for retirement, health of retirees (psychological as well as physical), and also addresses the social issues of retirement, including leisure activities, social networks, and family relationships.

U.S. Congress, Office of Technology Assessment, **Technology and Aging in America**. Washington, DC: Government Printing Office, 1985. 496 pages.

This study focuses on the functional status of the elderly and ways in which technology can assist them to maintain their independence and enhance the quality of their lives.

\*Prepared by the Reference Staff, Social Security Library. These titles are available at local libraries or through the interlibrary loan system. The SSA Library is located in Room 571, Altmeyer Building, 6401 Security Boulevard, Baltimore, MD 21235.