

2008 Social Security/SSI/Medicare Information

Social Security Program:

- Tax Rate*: Employee and employer each -- 7.65% (6.20% - OASDI, 1.45% - HI)
Self-employed ----- 15.30% (12.40% - OASDI, 2.90% - HI)
* Social Security tax for employers and self-employed can be partially offset under income tax rules.
- Maximum Taxable Earnings Base: OASDI-- \$102,000; HI-- No limit
- Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer (each):	\$ 6,324.00	No limit
Self-employed:	12,648.00	No limit
- OASDI Covered Workers (in millions, CY 2008):

	<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
	154.2	17.8	164.0
- Percent of workers in paid employment or self employment who are covered: 96%
- Estimated Worker/Beneficiary Ratio: 2008: 3.3 to 1 2040: 2.1 to 1
- Earnings Required for a Quarter of Coverage: \$1,050; (\$4,200 for four)
- Coverage Thresholds 2008: Domestic Employment: \$1,600 Election Workers: \$1,400
- Retirement Test Exempt Amounts:
--No test after attaining full retirement age (FRA)—i.e., age 65 and 10 months for those attaining FRA in 2008
--For pre-FRA months in year attaining FRA: -- \$36,120 annually, \$3,010 monthly (\$1 for \$3 withholding rate)
--Under FRA --\$13,560 annually, \$1,130 monthly (\$1 for \$2 withholding rate)
- Substantial Gainful Activity: \$940/mo. non-blind, disabled; \$1,570/mo. blind;
- Trial Work Period Service Month: \$670/mo.
- Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2008)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$711 of AIME, plus	150% of first \$909 of PIA, plus
32% of AIME over \$711 thru \$4,288, +	272% of PIA over \$909 thru \$1,312 +
15% of AIME over \$4,288	134% of PIA over \$1,312 thru \$1,711 +
	175% of PIA over \$1,711
(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)	
- Average Monthly Benefits:

	<u>12/06</u>	<u>12/07</u>
Retired worker:	\$1,044	1,079
Retired worker and aged spouse:	1,712	1,761
Disabled worker:	978	1,004
Disabled worker, spouse and children:	1,642	1,689
Aged widow(er):	1,007	1,040
Widowed mother/father and 2 children:	2,147	2,221
- Benefits for 1/2008 Retirees :

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 65 + 10 months)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner	876.70	657	852.30	852
Scaled medium earner	1,444.00	1,083	1,404.70	1,404
Maximum earner	2,230.30	1,672	2,185.40	2,185

- Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030 or later

Scaled low earner (45% of avg. wages): 55%; Scaled medium earner: 41%; Maximum earner: 27%

- Number of OASDI Beneficiaries (as of 12/07):

--Total OASDI beneficiaries:	49.9 million
--Retired workers and family members:	34.5 million
-Retired workers:	31.5 million
-Spouses:	2.4 million
-Children:	0.5 million
--Survivors of deceased workers:	6.5 million
-Aged surviving spouses:	4.2 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	8.9 million
-Disabled workers:	7.1 million
-Spouses:	0.2 million
-Children:	1.7 million

- Number of OASDI Children Beneficiaries (12/07):

--Total:	4,050,829
-Children under age 18:	3,119,523
-Students:	136,629
-Disabled Children:	794,677

- COLA: Increase payable in January 2008 benefits – 2.3 percent

- Special Minimum PIA (12/07):

Approximately \$36.07 per year of coverage over 10 years; highest special minimum PIA = \$721.40 (30 years of coverage)

- Minimum Earnings for Year of Coverage:
- | | <u>2007</u> | <u>2008</u> |
|-----------------------------------|-------------|-------------|
| --Special Minimum: | \$10,890 | \$11,385 |
| --Windfall Elimination Provision: | \$18,150 | \$18,975 |

- 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

- Taxation of Benefits -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>
up to 50%	\$25,000 - \$34,000	Individual
	32,000 - 44,000	Joint
up to 85%	\$34,000 +	Individual
	44,000 +	Joint

- Average Wage Level: 2006: \$38,651 2007 : \$40,462(est.) 2008: 42,286 (est.)

- OASDI Administrative Expenses (FY 2007):

<u>OASDI</u>	<u>OASI</u>	<u>DI</u>
Amount (in billions)	\$ 2.4	\$2.2
Percent of Benefit Payments	0.5%	2.3%
		\$4.6
		0.8%

- OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2007 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2006	\$745	\$555	\$190	\$2,048
2007 (est)	\$783	\$594	\$189	\$2,237

- Key dates from 2007 OASDI Trustees Report: (using intermediate assumptions)
 - 2014 OASDI assets peak at 409 percent of expenditures.
 - 2017 Expenditures exceed tax income for the first time since 1983.
 - 2027 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
 - 2041 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 75% of the expected benefits.
- Estimated long-range deficit: 1.95 percent of taxable payroll.

SSI Program

- SSI Payment Standard: \$637 individual, \$956 couple (effect.01/08)
- Resource Limits:
 - Individual----- \$2,000
 - Couple----- 3,000
- Number of SSI Beneficiaries and Average Payments (11/07):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	7,350,382	\$ 468
Aged -----	1,210,582	\$ 383
Blind & Disabled -----	6,139,800	484
SSI Beneficiaries by Age:		
Under 18 -----	1,109,414	\$ 559
Age 18-64 -----	4,218,103	483
Age 65 and Over -----	2,022,865	386
- SSI Expenditures FY 2007 (Excludes payment for 10/01/06, which was paid in FY 2006)
 - Federal SSI payments ----- \$36.0 billion
 - Fed. Administered State Supplements ----- 3.9 billion

Social Security and SSI Information

- Number of people receiving monthly benefits from SSA (11/07):
 - OASDI Benefits only ----- 47.2 million
 - SSI Benefits only ----- 4.8 million
 - OASDI and SSI Benefits Concurrently -- 2.6 million
 - Total ----- 54.6 million
- Program Accuracy
 - OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2006
 - 99.7% of payment outlays without an overpayment
 - 99.9% of payment outlays without an underpayment
 - SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2006
 - 92.1% of payment outlays without overpayment
 - 97.8% of payment outlays without underpayment
 - DDS Accuracy Rate for Initial Disability Decisions – FY 2006
 - 96% - Overall performance accuracy rate

Medicare Program

- Number of HI/SMI Enrollees (FY 2007):
 Total HI and/or SMI enrollees-----43.9 million
 Aged-----36.7 million
 Disabled-----7.2 million
- Part A Hospital Insurance:

	<u>Monthly Premium</u>
Fully Insured	\$0
30-39 credits	\$233.00
Less than 30 credits	\$423.00
- Part B Supplementary Medical Insurance Premium (2008): \$96.40-238.40*
- Income-Related Monthly Adjustment Amount (IRMAA) Information

Number of Beneficiaries Affected: 1.931 million in 2008 (About 5% of Part B beneficiaries)

<u>*Modified Adjusted Gross Income (MAGI)</u>		<u>2008</u>	<u>2008</u>
<u>Single</u>	<u>Married Couple</u>	IRMAA Increase	Total Monthly Premium
\$82,000 and under	\$164,000 and under	\$0.00	\$96.40 (base premium)
\$82,000.01-102,000.00	\$164,000.01-204,000.00	\$25.80	\$122.20
\$102,000.01-153,000.00	\$204,000.01-306,000.00	\$64.50	\$160.90
\$153,000.01-205,000.00	\$306,000.01-410,000.00	\$103.30	\$199.70
More than \$205,000.01	More than \$410,000.01	\$142.00	\$238.40
<u>Married, Filing Separately</u>			
\$82,000 and under		\$0.00	\$96.40 (base premium)
\$82,000.01-123,000.00		\$103.30	\$199.70
More than \$123,000		\$142.00	\$238.40

- Medicare Part D Subsidy Eligibility Requirements:
 GENERAL – Individual Must Be:
 --Entitled to Part A or enrolled in Part B;
 --Enrolled in prescription drug plan;
 --Reside in 50 States or DC;
 --File an application; and,
 --Have income and resources below specified limits.
 - 2008 Income Limits
 --Full Subsidy – Below 135% of poverty guidelines (below \$14,040 for an individual in continental U.S.)
 --Partial Subsidy – Between 135%-150% of poverty guidelines (between \$14,040 and \$15,600 for an individual in continental U.S.)
 - 2008 Resource Limits
 --\$11,990 individual/\$23,970 married couple living together (includes \$1,500 per person burial exclusion)
 --Amount adjusted annually based on CPI

Resources/Contacts

Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (57.7 million calls handled in FY 2007)

SSA Online: <http://www.socialsecurity.gov> (54.1 million visits to this website in FY 2007)

Congressional Relations Staff: (410) 965-3929

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

Medicare online: <http://www.medicare.gov>