## 2006 Social Security/SSI Information

o Tax Rate*: Employee and employer each -- $7.65 \%(6.20 \%-$ OASDI, $1.45 \%-\mathrm{HI})$
Self-employed ----------- $15.30 \%(12.40 \%-$ OASDI, $2.90 \%-\mathrm{HI})$

* Social Security tax for employers and self-employed can be partially offset under income tax rules.
o Maximum Taxable Earnings Base: OASDI-- $\$ 94,200$; HI-- No limit
o Maximum FICA/SECA Taxes:

|  | OASDI |  |  |
| :--- | ---: | ---: | ---: |
|  |  | HI |  |
| Employee/employer (each): | $\$ 5,840.40$ | No limit |  |
| Self-employed: | $11,680.80$ | No limit |  |

o OASDI Covered Workers (in millions, 2006 est):
$\frac{\text { Wages }}{151.9}$
$\frac{\text { Self-employed }}{16.6}$
Combined 161.6
o Percent of workers in paid employment or self employment who are covered: $96 \%$
o Estimated Worker/Beneficiary Ratio: 2006: 3.3 to $1 \quad$ 2040: 2.1 to 1
o Earnings Required for a Quarter of Coverage: $\$ 970$; ( $\$ 3,880$ for four)
o Coverage Thresholds 2006: Domestic Employment: \$1,500 Election Workers: \$1,300

## o Retirement Test Exempt Amounts:

--No test after attaining full retirement age (FRA)—i.e., age 65 and 8 months for those attaining age 65 in 2006
--For pre-FRA months in year attaining FRA: -- $\$ 33,240$ annually, $\$ 2,770$ monthly ( $\$ 1$ for $\$ 3$ withholding rate) --Under FRA --\$12,480 annually, \$1,040 monthly (\$1 for $\$ 2$ withholding rate)
o Supplementary Medical Insurance Premium: $\$ 88.50$
o Substantial Gainful Activity: \$860/mo. nonblind, disabled; $\$ 1,450 /$ mo. blind;
o Trial Work Period Service Month: $\$ 620 / \mathrm{mo}$.
o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2006)
Primary Insurance Amount (PIA) $\quad \underline{\text { OASI Maximum Family Benefit (MFB) }}$
$90 \%$ of first $\$ 656$ of AIME, plus $150 \%$ of first $\$ 838$ of PIA, plus
$32 \%$ of AIME over $\$ 656$ thru $\$ 3,955,+\quad 272 \%$ of PIA over $\$ 838$ thru $\$ 1,210+$
$15 \%$ of AIME over $\$ 3,955 \quad 134 \%$ of PIA over $\$ 1,210$ thru $\$ 1,578,+$
$175 \%$ of PIA over $\$ 1,578$
(DI MFB ranges from $100 \%-150 \%$ of the PIA, depending on the PIA level)

| o Average Monthly Benefits: | 12/04 | 12/05 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Retired worker: | \$ 955 | \$1,002 |  |  |  |
| Retired worker and aged spouse: | 1,574 | 1,648 |  |  |  |
| Disabled worker: | 894 | 938 |  |  |  |
| Disabled worker, spouse and children: | 1,496 | 1,571 |  |  |  |
| Aged widow(er): | 920 | 966 |  |  |  |
| Widowed mother/father and 2 children: | 1,950 | 2,049 |  |  |  |
| o Benefits for 2006 Retirees (estimated): |  | Age 62 (FRA 66) |  | FRA (Age $65+6$ months) |  |
|  |  | PIA | Benefit | PIA | Benefit |
| Scaled low earner (45\% of avg. earnings) |  | \$ 808.30 | \$ 609 | \$ 814.40 | \$ 814 |
| Scaled medium earner |  | 1,331.80 | 1,003 | 1,341.90 | 1,341 |
|  | Page | 1 of 3 |  |  | $\begin{array}{r} \text { SSA/ODCLCA } \\ 05 / 08 / 06 \end{array}$ |

o 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\%
o Number of OASDI Beneficiaries (as of 12/05):
--Total OASDI beneficiaries: 48.4 million
--Retired workers and family members: $\quad 33.4$ million
-Retired workers: $\quad 30.4$ million
--Spouses: $\quad 2.5$ million
--Children: 0.5 million
--Survivors of deceased workers: 6.7 million
-Aged surviving spouses: $\quad 4.4$ million
-Disabled surviving spouses: 0.2 million
-Surviving spouses w/ child-in-care: 0.2 million
-Children: $\quad 1.9$ million
--DI beneficiaries: $\quad 8.3$ million
-Disabled workers: $\quad 6.5$ million
-Spouses: 0.2 million

- Children: $\quad 1.6$ million
o Number of OASDI Children Beneficiaries (12/05):
--Total: 4,024,924
-Children under age 18: 3,129,506
-Students aged 18-19: 126,877
-Disabled Children aged 18 or older: 768,535
o COLA: Increase payable in January 2006 benefits -4.1 percent
o Special Minimum PIA (12/05):
Approximately $\$ 34.10$ per year of coverage over 10 years; highest special minimum PIA $=\$ 682.70$ ( 30 years/coverage)
o Minimum Earnings for Year of Coverage:
--Special Minimum:
--Windfall Elimination Provision:
o Full Retirement Age Schedule - by Year of Birth
1938-65/2 mos. | 1942-65/10 mos 1939-65/4 mos. | 1943-54-66
1940-65/6 mos. | 1955-66/2 mos.
1941-65/8 mos. | $1956-66 / 4$ mos.

| 2005 | 2006 |
| :---: | :---: |
| \$10,035 | \$10,485 |
| \$16,725 | \$17,475 |

o Taxation of Benefits -- \% of Benefits Taxed:

| \% Taxed | $\underline{\text { Income Threshold }}$ | Filing Status |
| :--- | :--- | :--- |
| up to $50 \%$ | $\$ 25,000-\$ 34,000$ | Individual |
|  | $32,000-44,000$ | Joint |
| up to $85 \%$ | $\$ 34,000+$ | Individual |
|  | $44,000+$ | Joint |

o Average Wage Level: 2004: $\$ 35,649 ; 2005: \$ 36,600$ (est.) $2006: \$ 38,137$ (est.)
o $\frac{\underline{\text { OASDI Administrative Expenses (FY 2005): }}}{\text { Amount (in billions) }} \quad \frac{\underline{\text { OASI }}}{\$ 2.4} \quad \underset{\$ 2.3}{\underline{\text { DI }}} \quad \frac{\text { OASDI }}{\$ 4.6}$
2 of 4

| Percent of Benefit Payments | $0.5 \%$ | $2.7 \%$ | $0.9 \%$ |
| :--- | :--- | :--- | :--- |

o SSI Payment Standard: \$603 individual, \$904 couple (effect.01/06)
o Number of SSI Beneficiaries and Average Payments (11/05):

|  | Beneficiaries | Average Payments |  |
| :---: | :---: | :---: | :---: |
| Total | 7,135,953 | \$ | 436 |
| Aged ---------------------------- | 1,221,547 | \$ | 359 |
| Blind \& Disabled -------------- | 5,914,406 |  | 452 |
| SSI Beneficiaries by Age: |  |  |  |
| Under 18 ------------------------- | 1,041,406 | \$ | 513 |
| Age 18-64 ---------------------- | 4,091,524 |  | 453 |
| Age 65 and Over --------------- | 2,003,023 |  | 361 |

o SSI Expenditures FY 2005 (excludes accelerated payment due 10/01/05)
Federal SSI payments ----------------- $\$ 35.5$ billion
Fed. Administered State Supplements ------- 4.2 billion
o Number of people receiving monthly benefits from SSA (11/05):
-OASDI Benefits only ---------------------- 45.9 million
-SSI Benefits only ---------------------------- 4.6 million
-OASDI and SSI Benefits Concurrently -- 2.5 million
Total ------------------------------------------------- 53.0 million
o Program Accuracy
OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2004
-- $99.5 \%$ of payment outlays without an overpayment
-- $99.8 \%$ of payment outlays without an underpayment
SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2004
-- 93.6\% of payment outlays without a preventable overpayment
-- $98.7 \%$ of payment outlays without a preventable underpayment
DDS Accuracy Rate for Initial Disability Decisions - FY 2004
-- $96.4 \%$ - Overall performance accuracy rate
o OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2006 Trustees Report):
Funds’ Assets

| Calendar Year |  |  | Income |  | Outgo |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
|  |  | Net Incr. |  | EOY Balance |  |  |
| 2005 | $\$ 702$ |  | $\$ 530$ |  | $\$ 172$ |  |
| 2006 (est.) |  | $\$ 741,859$ |  |  |  |  |
|  |  | $\$ 564$ |  | $\$ 177$ |  | $\$ 2,035$ |

o Key dates from 2006 OASDI Trustees Report: (using intermediate assumptions)
2015 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.
2040 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 74\% of the expected benefits.
o Estimated long-range deficit: 2.02 percent of taxable payroll.
o Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (55.0 million calls handled in FY 2005)
o SSA Online: http://www.socialsecurity.gov (41.0 million visits to this website in FY 2005)
o Congressional Relations Staff: (410) 965-3929
o OIG/SSA Fraud Hotline: 1-800-269-0271

