

APPENDIX S

SOCIAL SECURITY OFFSET to SURVIVOR BENEFIT PLAN
(Eligibility Year Before 1979)

Worksheet for calculating social security offset for members whose eligibility year is before 1979 and whose offset year is 1979 or later.

Definitions:

1. **Member** is the retired military person.
2. **Starting Year** is 1957 or the year the member joined the Service, whichever is later.
3. **Ending Year** is the year the member turned or would have turned age 65.
4. **Eligibility Year** is the year in which the member turned age 62 or the year the member died, whichever is earlier.
5. Not applicable.
6. **Elapsed Years:**
 - a. For a male who turned or would have turned **age 62 in 1975 or later** and **all female members**, is equal to the number of years obtained by subtracting (the later of 1951 or the year the member turned age 22) from (the year the member turned or would have turned age 62).
 - b. For a **male member** who turned or would have turned **age 62 in 1973 or 1974**, is equal to 24.
 - c. For a **male member** who turned or would have turned **age 62 before 1973**, is equal to the number of years obtained by subtracting 1951 from the year the member turned or would have turned age 65.
7. **Offset Year** is the year the offset goes into effect.
8. **Free Wage Credits** are gratuitous wage credits that must be included in calculating the SBP offset. For years 1957 through 1977, credit \$300 for each calendar quarter in which he or she received **any** basic pay for active duty or active duty for training. For 1978 and later, credit increments of \$100 up to a maximum of \$1,200 per calendar year. The \$100 increments are granted for each \$300 of reported wages as follows: (1) No credit for wages less than \$300. (2) One credit (\$100) if wages are between \$300 and \$600. (3) Two credits (\$200) if wages are between \$600 and \$900. (4) And so on up to a maximum of \$1,200 per calendar year.

Step 1

Calculate: Eligibility Year =
 Starting Year =
 Ending Year =
 Elapsed Years =
 Offset Year =

(If Eligibility Year is 1979 or later, this worksheet should not be used.)

Step 2

List every year from the starting year to the ending year in Column (A).

NOTE: See definitions of 'starting' and 'ending.'

Step 3

Record member's active duty pay in column (B).

Record zero for all remaining years through the 'ending year.'

Step 4

Calculate and record free wage credits in column (C).

Step 5

Add columns (B) and (C) and record in column (D). Round to nearest dollar (round \$.50 up).

Step 6

List maximum FICA wages in column (E). See [Appendix M](#) for maximum FICA wages.

Step 7

Record in column (F) the lesser of column (D) or column (E).

Step 8

Not applicable.

Step 9

Not applicable.

Step 10

- (a) Compute $n = \text{elapsed years} - 5$
- (b) Cross out all but highest n values in column (F)
- (c) Total remaining n values
 If n is zero or less, the Social Security Offset is zero.

Step 11

- (a) $\text{Months} = (n) \times 12 = \underline{\hspace{2cm}}$
- (b) $\text{Member's AME} = \frac{\text{Step 10(c)}}{\text{Step 11(a)}} = \underline{\hspace{2cm}}$
 (round **down** to nearest dollar)

Step 12

Determine the member's AME PIA from the attached table I.

(a) If the AME from Step 11(b) is **less than** the minimum average monthly wage listed in table I (\$76), then:

$$\text{Member's AME PIA} = \frac{\text{Step 11(b)}}{\$76 \text{ (table I minimum AME)}} \times \$121.80 \text{ (table I PIA for minimum AME)}$$

$$= \frac{\hspace{2cm}}{\hspace{2cm}}$$

(Round **up** to the nearest dime)

(b) Otherwise, read the member's AME PIA directly from:
table I = _____

Step 13

List Social Security CPI's from June 1979 up to and including offset year. (If CPI is 9.9% list it as 1.099.) If the time of offset is before the Social Security CPI release date then assume that the CPI in the offset year is zero. Multiply these values together to obtain one value. Round to 3 decimals.

Step 14

$$\text{Member's AME PIA} = \text{Step 12 times Step 13} = \underline{\hspace{2cm}}$$

(round **up** to nearest dime)

Step 15

If widow and one child:

$$\text{Social Security offset} = \text{Step 14 times } .75 = \underline{\hspace{2cm}}$$

(round **up** to nearest dime)

Step 16

$$\text{Social Security offset} = \text{Step 14 times factor defined below} = \$ \underline{\hspace{2cm}}$$

(round value down to nearest dollar)

FACTOR SELECTION

(1) If the widow **does not** provide evidence from the Social Security Administration that the decedent was in receipt of **nondisability** Social Security benefits prior to age 65, select the spouse age-related reduction factor from the following chart and use in formula.

SPOUSE AGE-RELATED REDUCTION FACTOR

<u>Spouse Age</u>	Factor for <u>Offset</u>	<u>Spouse Age</u>	Factor for <u>Offset</u>	<u>Spouse Age</u>	Factor for <u>Offset</u>
65 & over	1.00000	64 yrs, 0 mo	.94300	63 yrs 0 mo	.88600
64 yrs, 11 mos	.99525	63 yrs, 11 mos	.93825	62 yrs, 11 mos	.88125
64 yrs, 10 mos	.99050	63 yrs, 10 mos	.93350	62 yrs, 10 mos	.87650
64 yrs, 9 mos	.98575	63 yrs, 9 mos	.92875	62 yrs, 9 mos	.87175
64 yrs, 8 mos	.98100	63 yrs, 8 mos	.92400	62 yrs, 8 mos	.86700
64 yrs, 7 mos	.97625	63 yrs, 7 mos	.91925	62 yrs, 7 mos	.86225
64 yrs, 6 mos	.97150	63 yrs, 6 mos	.91450	62 yrs, 6 mos	.85750
64 yrs, 5 mos	.96675	63 yrs, 5 mos	.90975	62 yrs, 5 mos	.85275
64 yrs, 4 mos	.96200	63 yrs, 4 mos	.90500	62 yrs, 4 mos	.84800
64 yrs, 3 mos	.95725	63 yrs, 3 mos	.90025	62 yrs, 3 mos	.84325
64 yrs, 2 mos	.95250	63 yrs, 2 mos	.89550	62 yrs, 2 mos	.83850
64 yrs, 1 mo	.94775	63 yrs, 1 mo	.89075	62 yrs, 1 mo	.83375
				62 yrs, 0 mo	.82900

(2) If the widow provides evidence from the Social Security Administration (SSA) that the decedent was in receipt of **non-disability** Social Security benefits prior to age 65, calculate the decedent’s reduction factor using one of the following methods and information supplied by SSA:

(a) divide the actual benefit payable (DMBA) by the death PIA. If decedent lived to age 65 or older, this data must be for a month subsequent to the January following the date of death.

(b) if data is not available for (a), determine the number of months (M) for which the decedent received a reduced benefit prior to age 65. Calculate, to five digits, the factor using the following formula:

$$\text{factor} = (1.0) \text{ minus } (M/180)$$

$$\text{example: 3 months early} = (1.0) - (3/180) = .98333$$

- (c) insert answer from (a) or (b) here.
- (d) insert the greater of .825 or (c) here.
- (e) insert factor obtained in Step 16(1) above here.
- (f) insert lesser of (d) or (e) here and use in formula.

Step 17

- (a) Net monthly SBP annuity before Social Security offset but after all other reductions = _____
- (b) .4 times Step 17(a) = _____
(round **down** to nearest dime)
- (c) Total from either Step 15 or Step 16 = _____
- (d) Social Security offset equals lesser of Step 17(c) or Step 17 (b) = _____

SOCIAL SECURITY OFFSET CALCULATION SHEET

(A) Year (Starting to Ending)	(B) Member's Active Duty Pay	(C) Free Wage Credit	(D) Member's Total Pay Credit (B)+(C)	(E) Maximum FICA Wage	(F) FICA Wage = Lesser of (D) or (E)
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TABLE I

PRIMARY INSURANCE AMOUNTS FOR EACH AVERAGE MONTHLY WAGE

Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA
Up to \$76	\$121.80	\$179-183	\$211.90	\$343-347	\$304.20
77-78	123.70	184-188	214.40	348-351	307.10
79-80	126.60	189-193	217.20	352-356	309.40
81-81	128.90	194-197	219.90	357-361	312.40
82-83	131.20	198-202	222.40	362-365	314.90
84-85	134.00	203-207	225.30	366-370	317.30
86-87	136.50	208-211	228.00	371-375	320.20
88-89	138.60	212-216	230.10	376-379	322.90
90-90	141.40	217-221	233.00	380-384	325.60
91-92	143.80	222-225	235.60	385-389	328.00
93-94	146.20	226-230	238.50	390-393	330.50
95-96	148.50	231-235	241.10	394-398	333.40
97-97	151.30	236-239	244.00	399-403	336.00
98-99	153.70	240-244	246.30	404-407	338.90
100-101	156.70	245-249	248.70	408-412	341.10
102-102	158.90	250-253	251.80	413-417	343.50
103-104	161.60	254-258	254.30	418-421	346.00
105-106	164.60	259-263	256.50	422-426	348.70
107-107	167.30	264-267	259.60	427-431	351.10
108-109	169.80	268-272	262.10	432-436	353.20
110-113	172.50	273-277	264.90	437-440	356.20
114-118	174.90	278-281	267.40	441-445	358.40
119-122	177.60	282-286	270.00	446-450	360.80
123-127	180.40	287-291	272.90	451-454	363.50
128-132	183.00	292-295	275.10	455-459	365.90
133-136	185.50	296-300	278.10	460-464	368.30
137-141	188.00	301-305	280.70	465-468	370.60
142-146	190.80	306-309	283.10	469-473	373.50
147-150	193.60	310-314	286.00	474-478	375.60
151-155	195.90	315-319	288.30	479-482	378.00
156-160	198.70	320-323	291.00	483-487	380.70
161-164	201.30	324-328	293.80	488-492	383.10
165-169	203.90	329-333	296.20	493-496	385.50
170-174	206.70	334-337	299.30	497-501	388.20
175-178	209.10	338-342	301.40	502-506	390.50

TABLE I
(Continued)

PRIMARY INSURANCE AMOUNTS FOR EACH AVERAGE MONTHLY WAGE

Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA
\$507-510	\$392.90	\$642-644	\$472.10	\$811-815	\$529.00
511-515	395.30	645-648	474.40	816-820	530.40
516-520	398.00	649-652	476.50	821-825	531.90
521-524	400.30	653-656	477.80	826-830	533.30
525-529	402.70	657-660	479.20	831-835	534.70
530-534	405.60	661-665	480.90	836-840	536.10
535-538	407.70	666-670	482.60	841-845	537.60
539-543	410.20	671-675	484.40	846-850	538.90
544-548	412.80	676-680	486.10	851-855	540.50
549-553	415.30	681-685	487.80	856-860	541.90
554-556	417.60	686-690	489.70	861-865	543.40
557-560	419.60	691-695	491.20	866-870	544.80
561-563	421.90	696-700	492.90	871-875	546.60
564-567	424.10	701-705	494.70	876-880	547.60
568-570	426.50	706-710	496.40	881-885	549.10
571-574	428.50	711-715	498.20	886-890	550.40
575-577	430.70	716-720	500.00	891-895	551.90
578-581	432.70	721-725	501.70	896-900	553.40
582-584	435.00	726-730	503.40	901-905	554.90
585-588	436.90	731-735	505.10	906-910	556.30
589-591	439.50	736-740	506.90	911-915	557.80
592-595	441.60	741-745	508.50	916-920	559.30
596-598	443.80	746-750	510.10	921-925	560.60
599-602	446.00	751-755	511.70	926-930	561.90
603-605	448.10	756-760	513.20	931-935	563.40
606-609	450.30	761-765	514.70	936-940	564.90
610-612	452.60	766-770	516.00	941-945	566.30
613-616	454.70	771-775	517.40	946-950	567.70
617-620	456.80	776-780	518.90	951-955	569.30
621-623	459.10	781-785	520.40	956-960	570.80
624-627	461.20	786-790	521.70	961-965	572.30
628-630	463.40	791-795	523.10	966-970	573.40
631-634	465.60	796-800	524.60	971-975	574.90
635-637	467.80	801-805	526.20	976-980	576.40
638-641	470.10	806-810	527.50	981-985	577.90

TABLE I
(Continued)

PRIMARY INSURANCE AMOUNTS FOR EACH AVERAGE MONTHLY WAGE

Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA
\$ 986-990	\$579.20	\$1,161-1,165	\$624.90	\$1,336-1,340	\$666.20
991-995	580.70	1,166-1,170	626.20	1,341-1,345	667.40
996-1,000	582.20	1,171-1,175	627.50	1,346-1,350	668.40
1,001-1,005	583.50	1,176-1,180	628.70	1,351-1,355	669.60
1,006-1,010	584.60	1,181-1,185	629.97	1,356-1,360	670.70
1,011-1,015	586.00	1,186-1,190	631.20	1,361-1,365	671.90
1,016-1,020	587.40	1,191-1,195	632.30	1,366-1,370	672.90
1,021-1,025	588.60	1,196-1,200	633.50	1,371-1,375	674.10
1,026-1,030	589.80	1,201-1,205	634.70	1,376-1,380	675.20
1,031-1,035	591.20	1,206-1,210	636.00	1,381-1,385	676.20
1,036-1,040	592.40	1,211-1,215	637.10	1,386-1,390	677.30
1,041-1,045	592.80	1,216-1,220	638.20	1,391-1,395	678.30
1,046-1,050	595.20	1,221-1,225	639.50	1,396-1,400	679.40
1,051-1,055	596.20	1,226-1,230	640.80	1,401-1,405	680.50
1,056-1,060	597.60	1,231-1,235	641.90	1,406-1,410	681.50
1,061-1,065	599.00	1,236-1,240	643.10	1,411-1,415	682.60
1,066-1,070	600.30	1,241-1,245	644.40	1,416-1,420	683.70
1,071-1,075	601.60	1,246-1,250	645.50	1,421-1,425	684.70
1,076-1,080	602.80	1,251-1,255	646.70	1,426-1,430	685.80
1,081-1,085	604.20	1,256-1,260	647.90	1,431-1,435	686.90
1,086-1,090	605.40	1,261-1,265	649.20	1,436-1,440	687.90
1,091-1,095	606.80	1,266-1,270	650.30	1,441-1,445	689.00
1,096-1,100	608.20	1,271-1,275	651.50	1,446-1,450	690.10
1,101-1,105	609.20	1,276-1,280	652.70	1,451-1,455	691.10
1,106-1,110	610.60	1,281-1,285	653.70	1,456-1,460	692.20
1,111-1,115	612.00	1,286-1,290	654.90	1,461-1,465	693.30
1,116-1,120	613.20	1,291-1,295	656.10	1,466-1,470	694.30
1,121-1,125	614.60	1,296-1,300	657.20	1,471-1,475	695.40
1,126-1,130	615.80	1,301-1,305	658.30	1,476-1,480	696.40
1,131-1,135	617.10	1,306-1,310	659.40	1,481-1,485	697.40
1,136-1,140	618.40	1,311-1,315	660.60	1,486-1,490	698.40
1,141-1,145	619.80	1,316-1,320	661.70	1,491-1,495	699.40
1,146-1,150	621.10	1,321-1,325	662.80	1,496-1,500	700.40
1,151-1,155	622.20	1,326-1,330	664.00	1,501-1,505	701.40
1,156-1,160	623.60	1,331-1,335	665.00	1,506-1,510	702.40

TABLE I
(Continued)

PRIMARY INSURANCE AMOUNTS FOR EACH AVERAGE MONTHLY WAGE

Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA
\$1,511-1,515	\$703.40	\$1,686-1,690	\$738.40	\$1,861-1,865	\$773.40
1,516-1,520	704.40	1,691-1,695	739.40	1,866-1,870	774.40
1,521-1,525	705.40	1,696-1,700	740.40	1,871-1,875	775.40
1,526-1,530	706.40	1,701-1,705	741.40	1,876-1,880	776.40
1,531-1,535	707.40	1,706-1,710	742.40	1,881-1,885	777.40
1,536-1,540	708.40	1,711-1,715	743.40	1,886-1,890	778.40
1,541-1,545	709.40	1,716-1,720	744.40	1,891-1,895	779.40
1,546-1,550	710.40	1,721-1,725	745.40	1,896-1,900	780.40
1,551-1,555	711.40	1,726-1,730	746.40	1,901-1,905	781.40
1,556-1,560	712.40	1,731-1,735	747.40	1,906-1,910	782.40
1,561-1,565	713.40	1,736-1,740	748.40		
1,566-1,570	714.40	1,741-1,745	749.40		
1,571-1,575	715.40	1,746-1,750	750.40		
1,576-1,580	716.40	1,751-1,755	751.40		
1,581-1,585	717.40	1,756-1,760	752.40		
1,586-1,590	718.40	1,761-1,765	753.40		
1,591-1,595	719.40	1,766-1,770	754.40		
1,596-1,600	720.40	1,771-1,775	755.40		
1,601-1,605	721.40	1,776-1,780	756.40		
1,606-1,610	722.40	1,781-1,785	757.40		
1,611-1,615	723.40	1,786-1,790	758.40		
1,616-1,620	724.40	1,791-1,795	759.40		
1,621-1,625	725.40	1,796-1,800	760.40		
1,626-1,630	726.40	1,801-1,805	761.40		
1,631-1,635	727.40	1,806-1,810	762.40		
1,636-1,640	728.40	1,811-1,815	763.40		
1,641-1,645	729.40	1,816-1,820	764.40		
1,646-1,650	730.40	1,821-1,825	765.40		
1,651-1,655	731.40	1,826-1,830	766.40		
1,656-1,660	732.40	1,831-1,835	767.40		
1,661-1,665	733.40	1,836-1,840	768.40		
1,666-1,670	734.40	1,841-1,845	769.40		
1,671-1,675	735.40	1,846-1,850	770.40		
1,676-1,680	736.40	1,851-1,855	771.40		
1,681-1,685	737.40	1,856-1,860	772.40		