1997 Social Security Information

o 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.

o Maximum Taxable Earnings Base: OASDI-- \$65,400; HI-- No limit

o Maximum FICA/SECA Taxes:

laximum FICA/SECA Taxes		
	OASDI	HI
Employee/employer	\$4,054.80	No limit
Self-employed	8,109.60	No limit

o <u>OASDI Workers Covered (in millions)</u>: <u>Wages</u> <u>Self-employed</u> <u>Combined</u>

1997 (est.)-- 137.5 14.0 145.9

oPercent of all jobs that are covered: 96%

oWorker/Beneficiary Ratio:1996: 3.2 / 12030: 2.0 / 1

o Earnings Required for a Quarter of Coverage: \$670; (\$2,680 for four)

o Retirement Test Exempt Amounts:

--Age 65-69 ----- \$13,500 annually, \$1,125 monthly (\$1 for \$3 withholding rate) --Under age 65 -- \$ 8,640 annually, \$720 monthly (\$1 for \$2 withholding rate)

o Supplementary Medical Insurance Premium: \$43.80 per month

o Substantial Gainful Activity: \$500/mo. nonblind, disabled; \$1,000/mo. blind

o Formulae Bend Points:(Applicable to workers who reach age 62, become disabled, or die in 1997)

Primary Insurance Am	ount (PIA)	OASI Maxi	mum Family Bene	fit (MFB)
90% of first \$455 of AI 32% of AIME over \$455 t 15% of AIME over \$2,741	· •	272% of PI 134% of PI	rst \$581 of PIA A over \$581 thru A over \$839 thru A over \$1094	u \$839, plus
(DI MFB ranges from 10	0% - 150% of the	PIA, dependi	ng on the PIA le	evel)
o Average Monthly Benefi	t <u>s</u> :	12/94	12/95 12/96	
Retired worker		\$ 697 \$	720 \$ 745	
Retired worker and age	d spouse	1,178 1,	215 1,256	
Disabled worker		661	682 704	
Disabled worker, spous	e and children	1,120 1,	147 1,172	
Aged widow(er)			680 707	
Widowed mother/father a	and 2 children	1,338 1,	377 1,466	
o Benefits for 1997 Reti	rees: Ag	je 62	Age	65

1/97

1/97

	1/97 PIA	Benefit	1/97 PIA	Benefit
Low earner (45% of avg. wages)	\$ 560.50	\$ 448	\$ 565.90	\$ 565
Average earner	923.40	738	933.60	933
Maximum earner	1,311.40	1,049	1,326.60	1,326

o Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030+

Low earner (45% of avg. wages)--- 56% Average earner---- 42% Maximum earner---- 28%

SSA/ODCLCA - 1/29/97

o Taxation of Benefits -- % of Benefits Taxed:

% TaxedIncome ThresholdFiling Status

up to 50%\$25,000 - \$34,000Individual 32,000 - 44,000Joint

up to 85%\$34,000 +Individual 44,000 +Joint

o Average Wage Level: 1995 -- \$24,705; 1996 -- \$25,676 (est.)

o Age-72 Payments (December 1996):

	Transitionally Insured (Byrnes)	Special-Age 72 Payment (Prouty		
Individual	\$199.00	\$199.00		
Couple	298.50	398.00		

o Minimum PIA: Generally eliminated for workers eligible after 1981.

o Special Minimum PIA (12/96):

Approximately \$27.42 per year of coverage over 10 years; highest special minimum PIA equals \$548.30 based on 30 years of coverage.

0	Minimum Earnings for Year of Coverage:	1995	1996	1997
	Special Minimum	\$ 6,795	\$ 6,975	\$ 7,290
	Windfall Elimination Provision	\$11,325	\$11,625	\$12,150

o Number of OASDI Beneficiaries (at end of December 1996):

Total OASDI beneficiaries Retired workers and family members -Retired workers	30.3 million
	.0 million
-Children	0.4 million
Survivors of deceased workers	7.4 million
-Aged surviving spouses	5.0 million
-Disabled surviving spouses	0.2 million
-Surviving spouses w/ child-in-care	0.2 million
-Children	1.9 million
DI beneficiaries	6.1 million
-Disabled workers	4.4 million
-Spouses	0.2 million
-Children	1.5 million

oNumber of OASDI Children Beneficiaries (12/96):

Total 3,803,00	00
-Children under age 18 3,010,000	
-Students aged 18-19 96,000	
-Disabled Children aged 18 or older 697,000	

o Trust Fund Operations (in billions):

Calendar Year	Fund	Income	Outgo	Fund at End of Year
1995	OASI	\$342.8	\$297.8	\$458.5
	DI	56.7	42.1	37.6
1996 (est.) OASI	\$364.0	\$309.2	\$513.3
	DI	60.9	45.4	53.1

OOASDI Administrative Expenses (FY 1996):OASI DI OASDI

Amount (in millions)\$1,788\$1,074 \$2,862 Percent of Benefit Payments 0.6% 2.5%0.8% o SSI Payment Standard: \$484 individual, \$726 couple (effect. 1/97)

oNumber of SSI Beneficiaries and Average Payments (12/96):

BeneficiariesAverage Payments Total:6,613,718\$362.75 Adults: Aged ----- 1,412,632\$260.75 Blind -----73,385 369.81 Disabled ----- 4,109,709 378.04 Children: Blind ----- 8,752\$456.12 Disabled ----- 1,009,240 441.89 o SSI Expenditures FY 1996: Federal SSI payments----- \$25.0 billion Fed. Administered State Supplements ---- 3.0 billion oNumber of people receiving monthly benefits from SSA (12/96): Total ----- 47.8 million -OASDI Benefits only ----- 41.2 million -SSI Benefits only ----- 4.1 million -OASDI and SSI Benefits Concurrently ---- 2.5 million 1995 o Census Bureau Poverty Threshold: 1994 1996 (prelim.) Aged individual----- \$ 7,108 \$ 7,309 \$ 7,525 Couple, aged head----- 8,967 9,219 9,491 15,569 Family of four----- 15,141 16,029 oSocial Security benefits keep 42% of today's aged beneficiaries out of poverty.

oKey dates from 1996 OASDI Trustees Report:

2011OASDI assets peak at 245 percent of expenditures.

2012Interest earnings begin to be required to pay benefits. The Trust Funds begin to increase Treasury's private-sector borrowing.

2019OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.

2029OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would continue to support about 77 percent of the expected benefits.

o Social Security Information: 1-800-SSA-1213

oSSA On Line: http://www.ssa.gov/SSA_Home.html

o Congressional Relations Staff: (410) 965-3929

oOIG/SSA Fraud Hotline:1-800-269-0271

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