# 1999 Social Security Information

o <u>Tax Rate</u>\*: 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

social Security tax for employers and self-employed can partially offset under income tax rules.

o Maximum Taxable Earnings Base: OASDI-- \$72,600; HI-- No limit

o Maximum FICA/SECA Taxes:

Employee/employer:OASDIHISelf-employed:\$4,501.20No limit9,002.40No limit

OASDI Workers Covered (in millions):  $\frac{\text{Wages}}{140} = \frac{\text{Self-employed}}{14} = \frac{\text{Combined}}{148}$ 

o Percent of all jobs that are covered: 96%

o Estimated Worker/Beneficiary Ratio: 1998: 3.4:1 2029: 2.1:1

o Earnings Required for a Quarter of Coverage: \$740; (\$2,960 for four)

o Domestic Employment Coverage Threshold: \$1,100

o Retirement Test Exempt Amounts:

--Age 65-69 ---- \$15,500 annually, \$1,292 monthly (\$1 for \$3 withholding rate)
--Under age 65 -- \$9,600 annually, \$800 monthly (\$1 for \$2 withholding rate)

o Supplementary Medical Insurance Premium: \$45.50

o Substantial Gainful Activity: \$500/mo. nonblind, disabled; \$1,100/mo. blind

o <u>Formulae Bend Points</u>: (Applicable to workers who reach age 62, become disabled, or die in 1999)

Primary Insurance Amount (PIA)

OASI Maximum Family Benefit (MFB)

90% of first \$505 of AIME, plus

150% of first \$645 of PIA, plus

90% of first \$505 of AIME, plus 150% of first \$645 of PIA, plus 272% of PIA over \$645 thru \$931, plus 15% of AIME over \$3,043 134% of PIA over \$931 thru \$1,214, plus

175% of PIA over \$1,214 (DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)

o Average Monthly Benefits: 12/96 12/97 12/98 Retired worker: 745 \$ 765 \$780 Retired worker and aged spouse: 1,256 1,288 1,310 Disabled worker: 704 722 733 Disabled worker, spouse and children: 1,172 1,197 1,217 Aged widow(er): 707 740 749 1,509 Widowed mother/father and 2 children: 1,466 1,554

o Benefits for Jan. 1999 Retirees: Age 62 . Age 65

PIA Benefit PIA Benefit  $\overline{622.10}$ \$ 576.90 497 576 Low earner (45% of avg. wages) Average earner 1,024.70 819 952.70 952 Maximum earner 1,479.60 1,183 1,373.10 1,373

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

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

### Taxation of Benefits -- % of Benefits Taxed:

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

- o Average Wage Level: 1997: \$27,426; 1998: \$28,315 (est.)
- o Age-72 Payments (December 1997:

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Individual: 205.70 205.70 Couple: 308.60 411.40

- o Minimum PIA: Generally eliminated for workers eligible after 1981.
- o Special Minimum PIA (12/98):

Approximately \$28.35 per year of coverage over 10 years; highest special minimum PIA equals \$567.00 based on 30 years of coverage.

o <u>Minimum</u>	Earnings fo	r Year of Coverage:	1997	1998	1999
Specia	al Minimum:		\$7,290	\$7,605	\$8,055
Windfa	all Eliminat	ion Provision:	\$12,150	\$12,675	\$13,425

## o Number of OASDI Beneficiaries (as of November 1998):

Total OASDI beneficiaries:Retired workers and family members:	30.8	million million
-Retired workers:		million
Spouses:		million
Children:	0.4	million
Survivors of deceased workers:	7.1	million
-Aged surviving spouses:	4.8	million
-Disabled surviving spouses:		million
-Surviving spouses w/ child-in-care:	0.2	million
-Children:	1.9	million
DI beneficiaries:	6.3	million
-Disabled workers:	4.7	million
-Spouses:	0.2	million
-Children:	1.4	million

## o Number of OASDI Children Beneficiaries (December 1997):

--Total: 3,759,108 -Children under age 18: 2,964,829 -Students aged 18-19: 81,764 -Disabled Children aged 18 or older: 712,515

#### o Trust Fund Operations (in billions):

Calendar Year	Fund	Income	Outgo	Fund at End of Year
1997	OASI	\$397	\$322	\$589
	DI	60	47	63
1998	OASI	\$420	\$332	\$677
	DI	64	51	80

0	OASDI Administrative Expenses (CY 1998):	OASI	DI	OASDI
	Amount (in millions) Percent of Benefit Payments	\$2,180 0.7%	\$1,239 2.5%	\$3,419 0.8%

- o SSI Payment Standard: \$500 individual, \$751 couple (effect. 1/99)
- o Number of SSI Beneficiaries and Average Payments (10/98):

Total:	Beneficiaries 6,574,224	Average Payments \$360.04
AgedBlind & Disabled	• •	\$268.02 381.90
SSI Beneficiaries by Age Under 18 Age 18-64 Age 65 and Over	3,645,523	\$451.10 383.67 281.12

o SSI Expenditures Fiscal Year 1998

Federal SSI payments ----- \$--- billion Fed. Administered State Supplements --- billion

o Number of people receiving monthly benefits from SSA (October 1998):

Total48.4	million
-OASDI Benefits only41.8	million
-SSI Benefits only 4.2	million
-OASDI and SSI Benefits Concurrently 2.4	million

0	Census Bureau Poverty Threshold:	1995	1996	1997
	Aged individual:	\$ 7,309	\$ 7,525	\$ 7,698
	Couple, aged head:	9,219	9,491	9,712
	Family of four:	15,569	16,036	16,400

- o Social Security benefits keep 41% of today's aged beneficiaries out of poverty.
- o Key dates from 1998 OASDI Trustees Report:
  - 2012 OASDI assets peak at 324 percent of expenditures.
  - 2013 Expenditures exceed tax income for the first time since 1983.
  - OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
  - 2032 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would continue to support about three-fourths of the expected benefits.
- o <u>Social Security Information:</u> 1-800-SSA-1213
- o SSA On Line: http://www.ssa.gov
- Congressional Relations Staff: (410) 965-3929
- o OIG/SSA Fraud Hotline: 1-800-269-0271