## 2002 Social Security/SSI 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 partially offset under income tax rules.

- o Maximum Taxable Earnings Base: OASDI-- \$84,900; HI-- No limit
- o Maximum FICA/SECA Taxes:

	OASDI	HI
Employee/employer:	\$ 5,263.80	No limit
Self-employed:	10,527.60	No limit

- o <u>OASDI Covered Workers (in millions, est)</u>: <u>Wages</u> <u>Self-employed</u> <u>Combined</u> 146.6 14.7 155.3
- o <u>Percent of workers who are covered</u>: 96%
- o Estimated Worker/Beneficiary Ratio: 2002: 3.4 to 1 2040: 2.0 to 1
- o Earnings Required for a Quarter of Coverage: \$870; (\$3,480 for four)
- o <u>Domestic Employment Coverage Threshold</u>: \$1,300
- o <u>Retirement Test Exempt Amounts</u>:

--No test after normal retirement age-i.e., age 65 for those attaining age 65 in 2002

- --For pre-age 65 months in year attaining age 65: -- \$30,000 annually, \$2,500 monthly (\$1 for \$3 withholding rate) --Under age 65 --\$11,280 annually, \$940 monthly (\$1 for \$2 withholding rate)
- o Supplementary Medical Insurance Premium: \$54.00
- o <u>Substantial Gainful Activity</u>: \$780/mo. nonblind, disabled; \$1,300/mo. blind;
- o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2002)
- Primary Insurance Amount (PIA) OASI Maximum Family Benefit (MFB)

90% of first \$592 of AIME, plus	150% of first \$756 of PIA, plus
32% of AIME over \$592 thru \$3,567, +	272% of PIA over \$756 thru \$1,092, +
15% of AIME over \$3,567	134% of PIA over \$1,092 thru \$1,424, +
	175% of PIA over \$1,424

(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)

o Average Monthly Benefits:	<u>12/00</u>	12/01
Retired worker:	\$ 844	\$ 874
Retired worker and aged spouse:	1,410	1,455
Disabled worker:	786	814
Disabled worker, spouse and children:	1,311	1,360
Aged widow(er) alone:	811	841
Widowed mother/father and 2 children:	1,680	1,757

o Benefits for Jan. 2002 Retirees:	Age 62	Age 65	
	PIA Benefit	PIA Benefit	
Low earner (45% of avg. wages)	\$ 729.60 \$ 568	\$ 682.70 \$ 682	
Average earner	1,201.90 936	1,127.30 1,127	
Maximum earner	1,774.60 1,382	1,660.50 1,660	

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%

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o COLA: Increase payable in January 2002 benefits - 2.6 percent

0	Normal	Retirement Age	Schedul	e — 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

o Normal Retirement Age Schedule — by Year of Birth

o Taxation of Benefits -- % of Benefits Taxed:

% Taxed	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: 2000: \$32,155; 2001: \$33,733 (est.)

## o Special Minimum PIA (12/01):

Approximately \$30.85 per year of coverage over 10 years; highest special minimum PIA = \$617.00 (30 years/coverage)

o Minimum Earnings for Year of Coverage:	2001	2002
Special Minimum:	\$8,955	\$9,450
Windfall Elimination Provision:	\$14,925	\$15,750

o Number of OASDI Beneficiaries (as of 12/01):

Total OASDI beneficiaries:	45.9 million
Retired workers and family members:	32.0 million
-Retired workers:	28.8 million
Spouses:	2.7 million
Children:	0.5 million
Survivors of deceased workers:	6.9 million
-Aged surviving spouses:	4.6 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
DI beneficiaries:	6.9 million
-Disabled workers:	5.3 million
-Spouses:	0.2 million
-Children:	1.5 million
o <u>Number of OASDI Children Beneficiarie</u>	es (12/01):
Total:	3,839,381
-Children under age 18:	2,993,852
-Students aged 18-19:	108,983

-Disabled Children aged 18 or older: 736,546

## o <u>Trust Fund Operations (in billions, based on intermediate assumptions in 2002 Trustees Report)</u>: Calendar Year Fund Income Outgo Fund at End of Year

	Calendar Year	Fund	Income	Outgo	<u>Fund at En</u>	<u>d of Year</u>	
	2000	OASI	\$491	\$358	\$	931	
		DI	78	57		118	
	2001	OASI	\$518	\$378	\$1,	072	
		DI	84	61	1	41	
0	OASDI Administrati	ve Expe	nses (FY 2	<u>2000):</u>	<u>OASI</u>	<u>DI</u>	OASDI
	Amount (in millio	ons)			\$ 1,870	\$1,722	\$3,592
	Percent of Benefit	t Paymer	nts		0.5%	3.0%	0.8%
					2 of 3	8	

- o <u>SSI Payment Standard</u>: \$545 individual, \$817 couple (effect. 1/02)
- o Number of SSI Beneficiaries and Average Payments (11/01):

	Beneficiaries	Average F	ayments
Total	6,670,202	\$ 393.62	
Aged	1,270,196	\$ 313.03	5
Blind & Disabled	5,400,006	412.7	l
SSI Beneficiaries by Age:			
Under 18	865,724	\$ 481.50	)
Age 18-64	3,804,334	415.24	1
Age 65 and Over	2,000,144	315.48	3

 <sup>&</sup>lt;u>SSI Expenditures FY 2001</u> (Outlays--Does not include payment due 10/1/00 that was paid in FY2000)
Federal SSI payments -------- \$27.7 billion
Fed. Administered State Supplements ------ 3.2 billion

O Number of people receiving monthly benefits from SSA (11/01):

	-OASDI Benefits only	43.0 million		
	-SSI Benefits only	4.3 million		
	-OASDI and SSI Benefits Concurrently	- 2.4 million		
	Total	49.6 million		
0	Census Bureau Poverty Threshold:	<u>1998</u>	<u>1999</u>	<u>2000</u>
	Aged individual:	\$ 7,818	\$ 7,990	\$ 8,259
	Couple, aged head:	9,862	10,075	10,419
	Family of four:	16,660	17,029	17,603

- o Social Security benefits kept 39.5% of today's aged beneficiaries out of poverty in 2000.
- o Program Accuracy

OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2000

- -- 99.9% of payment outlays without an overpayment
- -- 99.9% of payment outlays without an underpayment
- SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2000
  - -- 93.6% of payment outlays without an overpayment
  - -- 98.6% of payment outlays without an underpayment
- DDS Accuracy Rate for Initial Disability Decisions FY 2001
  - -- 96.8% Allowance performance accuracy rate
  - -- 92.0% Denial performance accuracy rate
- o <u>Key dates from 2002 OASDI Trustees Report</u>: (using intermediate assumptions)
  - 2015 OASDI assets peak at 471 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 continue to support about 73% of the expected benefits.
- o <u>Estimated long-range deficit</u>: 1.87 percent of taxable payroll.
- o Social Security Information: 1-800-SSA-1213
- o <u>SSA On Line:</u> http://www.ssa.gov
- o <u>Congressional Relations Staff</u>: (410) 965-3929

## o <u>OIG/SSA Fraud Hotline:</u> 1-800-269-0271