

## 2005 Social Security/SSI 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-- \$90,000; HI-- No limit

- o Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer (each):	\$ 5,580.00	No limit
Self-employed:	11,160.00	No limit

- o OASDI Covered Workers (in millions, 2005 est):
- |  | <u>Wages</u> | <u>Self-employed</u> | <u>Combined</u> |
|--|--------------|----------------------|-----------------|
|  | 149.4        | 15.7                 | 159.0           |

- o Percent of workers who are covered: 96%

- o Estimated Worker/Beneficiary Ratio: 2005: 3.3 to 1                      2041: 2.0 to 1

- o Earnings Required for a Quarter of Coverage: \$920; (\$3,680 for four)

- o Coverage Thresholds 2005:    Domestic Employment:    \$1,400                      Election Workers:            \$1,200

- o Retirement Test Exempt Amounts:

--No test after attaining full retirement age (FRA)—i.e., age 65 and 6 months for those attaining age 65 in 2005  
 --For pre-FRA months in year attaining FRA: -- \$31,800 annually, \$2,650 monthly (\$1 for \$3 withholding rate)  
 --Under FRA --\$12,000 annually, \$1,000 monthly (\$1 for \$2 withholding rate)

- o Supplementary Medical Insurance Premium: \$78.20

- o Substantial Gainful Activity: \$830/mo. nonblind, disabled; \$1,380/mo. blind;

- o Trial Work Period Service Month: \$590/mo.

- o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2005)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$627 of AIME, plus 32% of AIME over \$627 thru \$3,779, + 15% of AIME over \$3,779	150% of first \$801 of PIA, plus 272% of PIA over \$801 thru \$1,156 + 134% of PIA over \$1,156 thru \$1,508, + 175% of PIA over \$1,508

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

- o Average Monthly Benefits:

	<u>12/03</u>	<u>12/04</u>
Retired worker:	\$ 922	\$ 955
Retired worker and aged spouse:	1,523	1,574
Disabled worker:	862	894
Disabled worker, spouse and children:	1,441	1,496
Aged widow(er):	888	920
Widowed mother/father and 2+ children:	1,835	1,905

- o Benefits for 2005 Retirees:

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 65 + 6 months)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner (\$15,776 career avg. wages)	\$ 772.60	\$ 582	\$ 775.20	\$ 775
Scaled medium earner (\$35,057 career avg.)	1,272.40	959	1,277.00	1,277
Maximum earner	1,926.60	1,452	1,939.00	1,939

- 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 COLA: Increase payable in January 2005 benefits – 2.7 percent

- o Full Retirement Age Schedule — 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 Taxation of Benefits -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>
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: 2003: \$34,065; 2004: \$35,057 (est.)

- o Special Minimum PIA (12/04):

Approximately \$32.80 per year of coverage over 10 years; highest special minimum PIA = \$655.90 (30 years/coverage)

- o Minimum Earnings for Year of Coverage:

	<u>2004</u>	<u>2005</u>
--Special Minimum:	\$9,765	\$10,035
--Windfall Elimination Provision:	\$16,275	\$16,725

- o Number of OASDI Beneficiaries (as of 12/04):

--Total OASDI beneficiaries:	47.7 million
--Retired workers and family members:	33.0 million
-Retired workers:	30.0 million
--Spouses:	2.6 million
--Children:	0.5 million
--Survivors of deceased workers:	6.7 million
-Aged surviving spouses:	4.4 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	7.9 million
-Disabled workers:	6.2 million
-Spouses:	0.2 million
- Children:	1.6 million

- o Number of OASDI Children Beneficiaries (12/04):

--Total:	3,986,322
-Children under age 18:	3,097,466
-Students aged 18-19:	129,586
-Disabled Children aged 18 or older:	759,270

- o OASDI Trust Funds' Operations (in billions, based on intermediate assumptions in 2005 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2004	\$658	\$502	\$156	\$1,687
2005 (est.)	\$690	\$527	\$163	\$1,850

o <u>OASDI Administrative Expenses (CY 2004):</u>	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 2.4	\$2.2	\$4.5
Percent of Benefit Payments	0.6%	2.7%	0.9%

o SSI Payment Standard: \$579 individual, \$869 couple (effect. 1/05)

o <u>Number of SSI Beneficiaries and Average Payments (11/04):</u>	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	7,045,053	\$ 426.50
Aged -----	1,227,544	\$ 348.56
Blind & Disabled -----	5,817,509	442.97
SSI Beneficiaries by Age:		
Under 18 -----	1,001,924	\$ 505.61
Age 18-64 -----	4,043,681	444.52
Age 65 and Over -----	1,999,448	350.48

o <u>SSI Expenditures FY 2004</u>	
Federal SSI payments -----	\$33.7 billion
Fed. Administered State Supplements -----	4.2 billion

o <u>Number of people receiving monthly benefits from SSA (11/04):</u>	
-OASDI Benefits only -----	45.1 million
-SSI Benefits only -----	4.6 million
-OASDI and SSI Benefits Concurrently --	2.5 million
Total -----	52.2 million

- o Program Accuracy
  - OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2003
    - 99.8% of payment outlays without an overpayment
    - 99.9% of payment outlays without an underpayment
  - SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2003
    - 93.9% of payment outlays without a preventable overpayment
    - 98.9% of payment outlays without a preventable underpayment
  - DDS Accuracy Rate for Initial Disability Decisions – FY 2003
    - 96.1% - Overall performance accuracy rate

- o Key dates from 2005 OASDI Trustees Report: (using intermediate assumptions)
  - 2015 OASDI assets peak at 418 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 support about 74% of the expected benefits.

o Estimated long-range deficit: 1.92 percent of taxable payroll.

o Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (53.2 million calls handled in FY 2004)

o SSA Online: <http://www.socialsecurity.gov> (35.1 million visits to this website in FY 2004)

o Congressional Relations Staff: (410) 965-3929

o OIG/SSA Fraud Hotline: 1-800-269-0271