

2009 Social Security/SSI/Medicare Information

Social Security Program:

- 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.
- Maximum Taxable Earnings Base: OASDI-- \$106,800; HI-- No limit
- Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer (each):	\$ 6,621.60	No limit
Self-employed:	13,243.20	No limit
- OASDI Covered Workers (est. -- in millions, CY 2009):

	<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
	154.5	18.5	164.3
- Percent of workers in paid employment or self employment who are covered: 94%
- Estimated Worker/Beneficiary Ratio: 2009: 3.2 to 1 2040: 2.1 to 1
- Earnings Required for a Quarter of Coverage: \$1,090; (\$4,360 for four)
- Coverage Thresholds for 2009: Self Employment: \$400; Domestic Employment: \$1,700;
Election Workers: \$1,500
- Retirement Test Exempt Amounts:
--No test beginning with month of attaining full retirement age (FRA)—i.e., age 66 FRA in 2009
--For pre-FRA months in year attaining FRA: -- \$37,680 annually, \$3,140 monthly (\$1 for \$3 withholding rate)
--Under FRA --\$14,160 annually, \$1,180 monthly (\$1 for \$2 withholding rate)
- Substantial Gainful Activity: \$980/mo. non-blind, disabled; \$1,640/mo. blind;
- Trial Work Period Service Month: \$700/mo.
- Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2009)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$744 of AIME, plus	150% of first \$950 of PIA, plus
32% of AIME over \$744 thru \$4,483, +	272% of PIA over \$950 thru \$1,372 +
15% of AIME over \$4,483	134% of PIA over \$1,372 thru \$1,789 +
	175% of PIA over \$1,789
(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)	
- Average Monthly Benefits:

	<u>12/07</u>	<u>12/08</u>
Retired worker:	\$1,079	1,153
Retired worker and aged spouse:	1,761	1,877
Disabled worker:	1,004	1,063
Disabled worker, spouse and children:	1,689	1,795
Aged widow(er):	1,040	1,112
Widowed mother/father and 2 children:	2,221	2,372
- Benefits for 1/2009 Retirees :

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 66)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner	\$ 914.20	\$ 685	\$ 874.10	\$ 874
Scaled medium earner	1,506.20	1,129	1,440.60	1,440
Maximum earner	2,340.60	1,755	2,255.80	2,255

- 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%

- Number of OASDI Beneficiaries (as of 12/08):

--Total OASDI beneficiaries:	50.9 million
--Retired workers and family members:	35.2 million
-Retired workers:	32.3 million
-Spouses:	2.4 million
-Children:	0.5 million
--Survivors of deceased workers:	6.5 million
-Aged surviving spouses:	4.2 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	9.3 million
-Disabled workers:	7.4 million
-Spouses:	0.2 million
-Children:	1.7 million

- Number of OASDI Children Beneficiaries (12/08):

--Total:	4,131,739
-Children under age 18:	3,118,230
-Students:	142,043
-Disabled Children:	871,466

- COLA: Increase payable in January 2009 benefits – 5.8 percent

- Special Minimum PIA (12/08):

Approximately \$38.16 per year of coverage over 10 years; highest special minimum PIA = \$763.20 (30 years of coverage)

- Minimum Earnings for Year of Coverage:

	<u>2008</u>	<u>2009</u>
--Special Minimum:	\$11,385	\$11,880
--Windfall Elimination Provision:	\$18,975	\$19,800

- 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

- 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

- Average Wage Level: 2007: \$40,405 2008 : \$41,953(est.) 2009: \$43,679 (est.)

- OASDI Administrative Expenses (FY 2008):

<u>OASDI</u>	<u>OASI</u>	<u>DI</u>	
Amount (in billions)	\$ 2.6	\$2.4	\$4.9
Percent of Benefit Payments	0.5%	2.3%	0.8%

Numbers may not add due to rounding of individual components.

- OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2008 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2008 (est)	\$820	\$624	\$196	\$2,435
2009 (est)	\$873	\$660	\$213	\$2,648

- Key dates from 2008 OASDI Trustees Report: (using intermediate assumptions)
 - 2014 OASDI assets peak at 395 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 78% of the expected benefits.
- Estimated long-range deficit: 1.70 percent of taxable payroll.

SSI Program

- SSI Payment Standard: \$674 individual, \$1,011 couple (effective 01/09)

- Resource Limits:

Individual-----	\$2,000
Couple-----	3,000

- Number of SSI Beneficiaries and Average Payments (11/08):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	7,533,795	\$ 477
Aged -----	1,210,023	\$ 392
Blind & Disabled -----	6,323,772	494
SSI Beneficiaries by Age:		
Under 18 -----	1,152,268	\$ 567
Age 18-64 -----	4,341,446	492
Age 65 and Over -----	2,040,081	395

- SSI Expenditures FY 2008

Federal SSI payments -----	\$41.1 billion
Federally Administered State Supplements -----	\$4.4 billion

Social Security and SSI Information

- Number of people receiving monthly benefits from SSA (11/08):

-OASDI Benefits only -----	48.2 million
-SSI Benefits only -----	4.9 million
-OASDI and SSI Benefits Concurrently --	2.6 million
Total -----	55.7 million

- Program Accuracy

OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2007	
-- 99.8% of payment outlays without an overpayment	
-- 99.9% of payment outlays without an underpayment	
SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2007	
-- 90.9% of payment outlays without overpayment	
-- 98.5% of payment outlays without underpayment	
DDS Accuracy Rate for Initial Disability Decisions – FY 2007	
-- 97% - Overall performance accuracy rate	

Medicare Program

- Number of HI/SMI Enrollees (FY 2008):

Total HI and/or SMI enrollees-----44.0 million
 Aged-----37.6 million
 Disabled-----7.4 million

- Part A Hospital Insurance:

	<u>Monthly Premium</u>
Fully Insured	\$0
30-39 credits	\$244.00
Less than 30 credits	\$443.00

- Part B Supplementary Medical Insurance Premium (2009): \$96.40 to \$308.30 (depends on income)

- Income-Related Monthly Adjustment Amount (IRMAA) Information

Number of Beneficiaries Affected: 2.167 million in 2009 (About 5% of Part B beneficiaries)

<u>*Modified Adjusted Gross Income (MAGI)</u>		<u>2009</u>	<u>2009</u>
<u>Single</u>	<u>Married Couple</u>	IRMAA Increase	Total Monthly Premium
\$85,000 or less	\$170,000 or less	\$0.00	\$96.40 (base premium)
\$85,000.01-107,000.00	\$170,000.01-214,000.00	\$38.50	\$134.90
\$107,000.01-160,000.00	\$214,000.01-320,000.00	\$96.30	\$192.70
\$160,000.01-213,000.00	\$320,000.01-426,000.00	\$154.10	\$250.50
\$213,000.01 or more	\$426,000.01 or more	\$211.90	\$308.30
 <u>Married, Filing Separately</u>			
\$85,000 or less		\$0.00	\$96.40 (base premium)
\$85,000.01-128,000.00		\$154.10	\$250.50
\$128,000.01 or more		\$211.90	\$308.30

- Medicare Part D Subsidy Eligibility Requirements:

GENERAL – Individual Must Be:

- Entitled to Part A or enrolled in Part B;
- Enrolled in prescription drug plan;
- Reside in 50 States or DC;
- File an application; and,
- Have income and resources below specified limits.

- o 2009 Income Limits

- Full Subsidy – Below 135% of poverty guidelines (below \$14,620 for an individual in continental U.S.)
- Partial Subsidy – Between 135%-150% of poverty guidelines (between \$14,620 and \$16,245 for an individual in continental U.S.)
- Amounts adjusted annually based on Federal poverty levels

- o 2009 Resource Limits

- \$12,510 individual/\$25,010 married couple living together (includes \$1,500 per person burial exclusion)
- Amount adjusted annually based on CPI

Resources/Contacts

Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (82.6 million calls handled in FY 2008)

SSA Online: <http://www.socialsecurity.gov> (88.5 million visits to this website in FY 2008)

Congressional Relations Staff: (410) 965-3929

Medicare Info: 1-800-633-4227 TTY: 1-877-486-2048

Medicare online: <http://www.medicare.gov>