

2007 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-- \$97,500; HI-- No limit

- o Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer (each):	\$ 6,045.00	No limit
Self-employed:	12,090.00	No limit

- o OASDI Covered Workers (in millions, 2007est):
- | | <u>Wages</u> | <u>Self-employed</u> | <u>Combined</u> |
|--|--------------|----------------------|-----------------|
| | 153.4 | 16.8 | 163.1 |

- o Percent of workers in paid employment or self employment who are covered: 96%

- o Estimated Worker/Beneficiary Ratio: 2007: 3.3 to 1 2040: 2.1 to 1

- o Earnings Required for a Quarter of Coverage: \$1,000; (\$4,000 for four)

- o Coverage Thresholds 2007: Domestic Employment: \$1,500 Election Workers: \$1,300

- o Retirement Test Exempt Amounts:

--No test after attaining full retirement age (FRA)—i.e., age 65 and 8 months for those attaining FRA in 2007
 --For pre-FRA months in year attaining FRA: -- \$34,440 annually, \$2,870 monthly (\$1 for \$3 withholding rate)
 --Under FRA --\$12,960 annually, \$1,080 monthly (\$1 for \$2 withholding rate)

- o Supplementary Medical Insurance Premium: \$93.50

- o Substantial Gainful Activity: \$900/mo. nonblind, disabled; \$1,500/mo. blind;

- o Trial Work Period Service Month: \$640/mo.

- o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2007)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$680 of AIME, plus 32% of AIME over \$680 thru \$4,100, + 15% of AIME over \$4,100	150% of first \$869 of PIA, plus 272% of PIA over \$869 thru \$1,255 + 134% of PIA over \$1,255 thru \$1,636, + 175% of PIA over \$1,636

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

- o Average Monthly Benefits:

	<u>12/05</u>	<u>12/06</u>
Retired worker:	\$1,002	\$1,044
Retired worker and aged spouse:	1,648	1,712
Disabled worker:	938	978
Disabled worker, spouse and children:	1,571	1,642
Aged widow(er):	967	1,007
Widowed mother/father and 2 children:	2,049	2,147

- o Benefits for 1/2007 Retirees (estimated):

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 65 + 8 months)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner (45% of avg. earnings)	\$ 838.20	\$ 628	\$ 841.50	\$ 841
Scaled medium earner	1,380.90	1,035	1,386.10	1,386
Maximum earner	2,119.20	1,589	2,120.90	2,120

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 Number of OASDI Beneficiaries (as of 12/06):

--Total OASDI beneficiaries:	49.1 million
--Retired workers and family members:	33.9 million
-Retired workers:	31.0 million
--Spouses:	2.5 million
--Children:	0.5 million
--Survivors of deceased workers:	6.6 million
-Aged surviving spouses:	4.3 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	8.6 million
-Disabled workers:	6.8 million
-Spouses:	0.2 million
- Children:	1.7 million

o Number of OASDI Children Beneficiaries (12/06):

--Total:	4,040,644
-Children under age 18:	3,133,398
-Students aged 18-19:	130,650
-Disabled Children:	776,596

o COLA: Increase payable in January 2007 benefits – 3.3 percent

o Special Minimum PIA (12/06):

Approximately \$35.26 per year of coverage over 10 years; highest special minimum PIA = \$705.20 (30 years/coverage)

o Minimum Earnings for Year of Coverage:

	<u>2006</u>	<u>2007</u>
--Special Minimum:	\$10,485	\$10,890
--Windfall Elimination Provision:	\$17,475	\$18,150

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: 2005: \$36,953 2006 : \$38,696(est.) 2007: 40,375(est.)

o OASDI Administrative Expenses (FY 2006):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 2.4	\$2.3	\$4.7
Percent of Benefit Payments	0.5%	2.5%	0.9%

- o SSI Payment Standard: \$623 individual, \$934 couple (effect.01/07)

- o Number of SSI Beneficiaries and Average Payments (11/06):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	7,243,035	\$ 452
Aged -----	1,218,298	\$ 372
Blind & Disabled -----	6,024,737	469
SSI Beneficiaries by Age:		
Under 18 -----	1,078,270	\$ 537
Age 18-64 -----	4,153,086	469
Age 65 and Over -----	2,011,678	374

- o SSI Expenditures FY 2006 (excludes accelerated payment due 10/01/06)

Federal SSI payments ----- \$37.2 billion
 Fed. Administered State Supplements ----- 4.1 billion

- o Number of people receiving monthly benefits from SSA (11/06):

-OASDI Benefits only ----- 46.6 million
 -SSI Benefits only ----- 4.7 million
 -OASDI and SSI Benefits Concurrently -- 2.5 million
 Total ----- 53.8 million

- o Program Accuracy

OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2005
 -- 99.6% of payment outlays without an overpayment
 -- 99.8% of payment outlays without an underpayment
 SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2005
 -- 93.6% of payment outlays without a preventable overpayment
 -- 98.6% of payment outlays without a preventable underpayment
 DDS Accuracy Rate for Initial Disability Decisions – FY 2005
 -- 96% - Overall performance accuracy rate

- o OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2006 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2005	\$702	\$530	\$172	\$1,859
2006 (est.)	\$741	\$564	\$177	\$2,035

- o Key dates from 2006 OASDI Trustees Report: (using intermediate assumptions)

2015 OASDI assets peak at 409 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.
 2040 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 74% of the expected benefits.

- o Estimated long-range deficit: 2.02 percent of taxable payroll.

- o Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (55.3 million calls handled in FY 2006)

- o SSA Online: <http://www.socialsecurity.gov> (48.7 million visits to this website in FY 2006)

- o Congressional Relations Staff: (410) 965-3929

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