

2001 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-- \$80,400; HI-- No limit

- o Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer:	\$4,984.80	No limit
Self-employed:	9,969.60	No limit

- o OASDI Workers Covered (in millions, est):

<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
145.0	14.6	153.6

- o Percent of workers who are covered: 96%

- o Estimated Worker/Beneficiary Ratio: 2001: 3.4 to 1 2046: 2.0 to 1

- o Earnings Required for a Quarter of Coverage: \$830; (\$3,320 for four)

- o Domestic Employment Coverage Threshold: \$1,300

- o Retirement Test Exempt Amounts: (No test after age 65 attainment)

--For pre-age 65 months in year attaining age 65: -- \$25,000 annually, \$2,084 monthly (\$1 for \$3 withholding rate)
 --Under age 65 --\$10,680 annually, \$890 monthly (\$1 for \$2 withholding rate)

- o Supplementary Medical Insurance Premium: \$50.00

- o Substantial Gainful Activity: \$740/mo. nonblind, disabled; \$1,240/mo. blind

- o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2001)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$561 of AIME, plus	150% of first \$717 of PIA, plus
32% of AIME over \$561 thru \$3,381, +	272% of PIA over \$717 thru \$1,034, +
15% of AIME over \$3,381	134% of PIA over \$1,034 thru \$1,349, +
	175% of PIA over \$1,349
(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)	

- o Average Monthly Benefits:

	<u>12/98</u>	<u>12/99</u>	<u>12/00</u>
Retired worker:	\$ 780	\$ 804	\$844
Retired worker and aged spouse:	1,310	1,348	1,410
Disabled worker:	733	754	786
Disabled worker, spouse and children:	1,219	1,256	1,311
Aged widow(er):	749	775	810
Widowed mother/father and 2 children:	1,542	1,596	1,680

- o Benefits for Jan. 2001 Retirees:

	<u>Age 62</u>		<u>Age 65</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Low earner (45% of avg. wages)	\$ 691.40	\$ 544	\$ 636.10	\$ 636
Average earner	1,138.80	896	1,051.00	1,051
Maximum earner	1,669.00	1,314	1,536.70	1,536

- 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%

o COLA: Increase payable in January 2001 benefits - 3.5 percent

o Normal 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: 1999: \$30,470; 2000: \$32,105 (est.)

o Special Minimum PIA (12/00):

Approximately \$30.05 per year of coverage over 10 years; highest special minimum PIA = \$601.40 (30 years/coverage)

o Minimum Earnings for Year of Coverage:

	<u>1999</u>	<u>2000</u>	<u>2001</u>
--Special Minimum:	\$8,055	\$8,505	\$8,955
--Windfall Elimination Provision:	\$13,425	\$14,175	\$14,925

o Number of OASDI Beneficiaries (as of 12/00):

--Total OASDI beneficiaries:	45.4 million
--Retired workers and family members:	31.8 million
-Retired workers:	28.5 million
--Spouses:	2.8 million
--Children:	0.5 million
--Survivors of deceased workers:	7.0 million
-Aged surviving spouses:	4.7 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	6.7 million
-Disabled workers:	5.0 million
-Spouses:	0.2 million
-Children:	1.5 million

o Number of OASDI Children Beneficiaries (12/00):

--Total:	3,802,863
-Children under age 18:	2,976,406
-Students aged 18-19:	97,768
-Disabled Children aged 18 or older:	728,689

o Trust Fund Operations (in billions):

<u>Calendar Year</u>	<u>Fund</u>	<u>Income</u>	<u>Outgo</u>	<u>Fund at End of Year</u>
2000	OASI	\$491	\$358	\$ 931
	DI	78	57	119
2001(est.)	OASI	\$520	\$378	\$1,073
	DI	84	61	142

o OASDI Administrative Expenses (FY 2000):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in millions)	\$ 2,022	\$1,611	\$3,633
Percent of Benefit Payments	0.6%	3.0%	0.9%

O SSI Payment Standard: \$531 individual, \$796 couple (effect. 1/01)

o Number of SSI Beneficiaries and Average Payments (11/00):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Aged -----	1,296,029	\$ 290.46
Blind & Disabled -----	5,312,333	391.97
Total:	6,608,362	\$ 371.29

SSI Beneficiaries by Age:

Under 18 -----	847,356	\$ 455.80
Age 18-64 -----	3,744,192	397.28
Age 65 and Over -----	2,016,814	293.65

o SSI Expenditures FY 2000 (outlays - Includes payment due on 10/1/00)

Federal SSI payments -----	\$30.8 billion
Fed. Administered State Supplements ----	3.6 billion

o Number of people receiving monthly benefits from SSA (11/00):

-OASDI Benefits only -----	43.0 million
-SSI Benefits only -----	4.2 million
-OASDI and SSI Benefits Concurrently ----	2.4 million
Total -----	- 49.6 million

o Census Bureau Poverty Threshold:

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
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Aged individual:	\$ 7,698	\$ 7,818	\$ 7,990	\$ 8,259
Couple, aged head:	9,712	9,862	10,075	10,409
Family of four:	16,400	16,660	17,029	17,761

o Social Security benefits kept 39.5% of today's aged beneficiaries out of poverty in 1999.

o Program Accuracy

OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 1999

- 99.8% of payment outlays without an overpayment
- 99.9% of payment outlays without an underpayment

SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 1999

- 94.3% of payment outlays without an overpayment
- 98.3% of payment outlays without an underpayment

DDS Accuracy Rate for Initial Disability Decisions – FY 2000

- 97.0% - Allowance performance accuracy rate
- 92.4% - Denial performance accuracy rate

o Key dates from 2001 OASDI Trustees Report: (using intermediate assumptions)

2014	OASDI assets peak at 436 percent of expenditures.
2016	Expenditures exceed tax income for the first time since 1983.
2025	OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
2038	OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would continue to support about 73% of the expected benefits.

o Estimated long-range deficit: 1.86 percent of taxable payroll.

o Social Security Information: 1-800-SSA-1213

o SSA On Line: <http://www.ssa.gov>

o Congressional Relations Staff: (410) 965-3929

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