

2003 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-- \$87,000; HI-- No limit
- o Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer:	\$ 5,394.00	No limit
Self-employed:	10,788.00	No limit
- o OASDI Covered Workers (in millions, est):

	<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
	145.7	14.8	154.6
- o Percent of workers who are covered: 96%
- o Estimated Worker/Beneficiary Ratio: 2002: 3.4 to 1 2041: 2.0 to 1
- o Earnings Required for a Quarter of Coverage: \$890; (\$3,560 for four)
- o Coverage Thresholds 2003: 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 2 months for those attaining age 65 in 2003
 - For pre-FRA months in year attaining FRA: -- \$30,720 annually, \$2,560 monthly (\$1 for \$3 withholding rate)
 - Under FRA --\$11,520 annually, \$960 monthly (\$1 for \$2 withholding rate)
- o Supplementary Medical Insurance Premium: \$58.70
- o Substantial Gainful Activity: \$800/mo. nonblind, disabled; \$1,330/mo. blind;
- o Trial Work Period Service Month: \$570/mo.
- o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2003)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$606 of AIME, plus 32% of AIME over \$606 thru \$3,653, + 15% of AIME over \$3,653	150% of first \$774 of PIA, plus 272% of PIA over \$774 thru \$1,118, + 134% of PIA over \$1,118 thru \$1,458, + 175% of PIA over \$1,458
(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)	

<u>Average Monthly Benefits</u> :	<u>12/01</u>	<u>12/02</u>
Retired worker:	\$ 882	\$ 895
Retired worker and aged spouse:	1,463	1,483
Disabled worker:	822	834
Disabled worker, spouse and children:	1,376	1,395
Aged widow(er):	841	861
Widowed mother/father and 2 children:	1,757	1,838

<u>Benefits for 2003 Retirees:</u>	<u>Age 62</u>		<u>FRA (Age 65 + 2 months)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Low earner (45% of avg. wages)	\$ 746.60	\$ 575	\$ 709.40	\$ 709
Average earner	1,229.80	947	1,171.40	1,171
Maximum earner	1,831.80	1,412	1,741.10	1,741

- 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 2003 benefits - 1.4 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: 2001: \$32,922; 2002: \$33,938 (est.)

- o Special Minimum PIA (12/02):

Approximately \$31.28 per year of coverage over 10 years; highest special minimum PIA = \$625.60 (30 years/coverage)

- o Minimum Earnings for Year of Coverage:

	<u>2002</u>	<u>2003</u>
--Special Minimum:	\$9,450	\$9,675
--Windfall Elimination Provision:	\$15,750	\$16,125

- o Number of OASDI Beneficiaries (as of 12/02):

--Total OASDI beneficiaries:	46.4 million
--Retired workers and family members:	32.3 million
-Retired workers:	29.2 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:	7.2 million
-Disabled workers:	5.5 million
-Spouses:	0.2 million
-Children:	1.5 million

- o Number of OASDI Children Beneficiaries (12/02):

--Total:	3,910,256
-Children under age 18:	3,043,029
-Students aged 18-19:	122,698
-Disabled Children aged 18 or older:	744,529

- o Trust Fund Operations (in billions, based on intermediate assumptions in 2002 Trustees Report):

<u>Calendar Year</u>	<u>Fund</u>	<u>Income</u>	<u>Outgo</u>	<u>Fund at End of Year</u>
2001	OASI	\$518	\$378	\$ 1,072
	DI	84	61	141
2002	OASI	\$540	\$394	\$1,218
	DI	87	68	161

- o OASDI Administrative Expenses (FY 2002):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 2.1	\$2.0	\$4.1
Percent of Benefit Payments	0.6%	3.1%	0.9%

- o SSI Payment Standard: \$552 individual, \$829 couple (effect. 1/03)

- o Number of SSI Beneficiaries and Average Payments (11/02):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	6,784,919	\$ 407.30
Aged -----	1,258,110	\$ 328.85
Blind & Disabled -----	5,526,809	425.28
SSI Beneficiaries by Age:		
Under 18 -----	903,435	\$ 493.61
Age 18-64 -----	3,880,168	427.14
Age 65 and Over -----	2,001,316	330.80

- o SSI Expenditures FY 2002

Federal SSI payments -----	\$31.3 billion
Fed. Administered State Supplements -----	3.7 billion

- o Number of people receiving monthly benefits from SSA (11/02):

-OASDI Benefits only -----	46.4 million
-SSI Benefits only -----	4.3 million
-OASDI and SSI Benefits Concurrently --	2.4 million
Total -----	50.7 million

- o Program Accuracy
 - OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2001
 - 99.8% of payment outlays without an overpayment
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 - SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2001
 - 92.8% 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 Key dates from 2003 OASDI Trustees Report: (using intermediate assumptions)

2016	OASDI assets peak at 471 percent of expenditures.
2018	Expenditures exceed tax income for the first time since 1983.
2028	OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
2042	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: 1.92 percent of taxable payroll.

- o Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778

- o SSA Online: <http://www.socialsecurity.gov>

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

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