2012 Social Security/SSI/Medicare Information

Social Security Program

• <u>Tax Rate</u>: Employee ----- 5.65% (4.20% -OASDI, 1.45% - HI)

Employer ---- 7.65% (6.20% - OASDI, 1.45% - HI) Self-employed ---- 13.30% (10.40%-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-- \$110,100; HI-- No limit

Maximum FICA/SECA Taxes:OASDIHIEmployee:\$4,624.20No limitEmployer:\$6,826.20No limitSelf-employed:\$11,450.40No limit

• OASDI Covered Workers (est. -- in millions, CY 2012): Wages Self-employed Combined

149.6 17.1 159.7

• Percent of workers in paid employment or self employment who are covered: 94%

• Estimated Worker/Beneficiary Ratio: 2012: 2.8 to 1 2040: 2.0 to 1

- Earnings Required for a Quarter of Coverage in 2012: \$1,130; (\$4,520 for four)
- <u>Coverage Thresholds for 2012</u>: Self Employment: \$400; Domestic Employment: \$1,800; 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 2012
 - --For pre-FRA months in year attaining FRA: -- \$38,880 annually, \$3,240 monthly (\$1 for \$3 withholding rate)
 - --Under FRA: --\$14,640 annually, \$1,220 monthly (\$1 for \$2 withholding rate)
- Substantial Gainful Activity: \$1,010/mo. for non-blind, disabled; \$1,690/mo. for blind.
- <u>Trial Work Period Service Month</u>: \$720/mo.

•	Minimum Earnings for "Year of Coverage:	<u>2012</u>
	Special Minimum:	\$12,285
	Windfall Elimination Provision:	\$20,475

• Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2012)

 Primary Insurance Amount (PIA)
 OASI Maximum Family Benefit (MFB)

 90% of first \$767 of AIME, plus
 150% of first \$980 of PIA, plus

 32% of AIME over \$767 thru \$4,624, +
 272% of PIA over \$980 thru \$1,415 +

 15% of AIME over \$4,624
 134% of PIA over \$1,415 thru \$1,845 +

 175% of PIA over \$1,845

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

Average Monthly Benefits:
 Retired worker:
 \$1,229
 Retired worker and aged spouse:
 Disabled worker:
 Disabled worker, spouse, and children:
 Aged widow(er):
 Widowed mother/father and 2 children:
 2,505

•	Benefits for 1/2012 Retirees:	Age 62 (FRA 66)		FRA (Age 66)	
		PIA	<u>Benefit</u>	PIA	Benefit
	Scaled low earner	\$ 945.00	\$ 708	\$ 961.50	\$ 961
	Scaled medium earner	1,556.80	1,167	1,584.40	1,584
	Maximum earner	2,460.70	1,845	2,513.60	2,513

• <u>Long-Range Constant Pre-Retirement Earnings Replacement Rate</u>: 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 12/11):

Total OASDI beneficiaries:	55.4 million
Retired workers and family members:	38.5 million
-Retired workers:	35.6 million
-Spouses:	2.3 million
-Children:	0.6 million
Survivors of deceased workers:	6.3 million
-Aged surviving spouses:	4.0 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
DI beneficiaries:	10.6 million
-Disabled workers:	8.6 million
-Spouses:	0.2 million
-Children:	1.9 million

• Number of OASDI Children Beneficiaries (12/11):

-Total:	4,375,451
-Children under age 18:	3,245,266
-Students:	153,169
-Disabled Children:	977,016

• Special Minimum PIA:

The highest special minimum PIA = \$790.60 (30 years of coverage)

• 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:

% Taxed	Income Threshold	Filing Status
up to 50%	\$25,000 - \$34,000	Individual
	\$32,000 - \$44,000	Joint
up to 85%	\$34,000 +	Individual
-	\$44,000 +	Joint

• <u>Average Wage Level</u>: 2010: \$41,674 2011: \$43,009

• <u>Maximum Amount of Windfall Elimination Provision (WEP) reduction:</u> 2012: \$384

• OASDI Benefit Payments (FY 2011):

OASI: \$591.5 billion DI: 128.0 billion OASDI: 719.5 billion

• OASDI	I Administrative Expenses (FY 2011):	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amoun	t (in billions)	\$ 3.6	\$3.0	\$6.7
Percent	t of Benefit Payments	0.6%	2.4%	0.9%

• OASI/DI Trust Funds' Operations (in billions based on intermediate assumptions in 2012 Trustees Report):

		_	Funds' Ass	ets .
Calendar Year	<u>Income</u>	Outgo	Net Incr.	EOY Balance
2011	\$805	\$736	\$69	\$2,678
2012 (est)	\$846	\$789	\$57	\$2,735

• <u>Key dates from 2012 OASDI Trustees Report</u> (using intermediate assumptions):

2010 Expenditures exceed tax income and remain in excess thereafter.

2021 Expenditures exceed total income and remain in excess thereafter.

2033 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 75% of the expected benefits.

• Estimated long-range deficit: 2.22 percent of taxable payroll.

• <u>Percent of Beneficiaries Retired and Disabled:</u>
2011: 49% Women retired 48% Women disabled
51% Men retired 52% Men disabled

• Percent of Social Security Income that Accounts for Beneficiaries' Total Income in 2010 (latest data available):

50% accounts for 53% of aged couples; 74% accounts for aged non-married 90% accounts for 23% of aged couples; 46% accounts for aged non-married

SSI Program

SSI Payment Standard: \$698 individual, \$1,048 couple (Federal Maximum)

• Resource Limits:

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

• Number of SSI Recipients and Average Payments (as of 12/11):

-	Recipients	Average Payments
Total	8,112,773	\$ 502
Aged	1,182,106	398
Blind and Disabled	6,930,667	519
SSI Beneficiaries by Age:		
Under 18	1,277,122	\$ 601
Age 18-64	4,777,010	517
Age 65 and Over	2,058,641	403

• SSI Expenditures FY 2011 (includes 13 payments – Oct. 1, 2011 benefit paid on Sept. 30, 2011):

Federal SSI payments ----- \$52.4 billion

Federally Administered State Supplements ----- \$3.8 billion

Social Security and SSI Information

• Number of people receiving monthly benefits from SSA (as of 12/11):

Program Accuracy:

OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2010

- -- 99.6% of payment outlays without an overpayment
- -- 99.8 % of payment outlays without an underpayment

SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2010

- -- 93.3 % of payment outlays without overpayment
- -- 97.6% of payment outlays without underpayment

DDS Accuracy Rate for Initial Disability Decisions – FY 2010

-- 98% - Overall performance accuracy rate

Medicare Program

• Number of HI/SMI Enrollees (FY 2011):

Total HI and/or SMI enrollees	48.5 million
Aged	40.2 million
Disabled	8.3 million
Total SMI enrollees	44.8 million
Aged	37.3 million
•	7 5 million

• Part A Hospital Insurance: Monthly Premium (2012)

Fully Insured \$0 30+ credits \$248.00 Fewer than 30 credits \$451.00

- Part B Supplementary Medical Insurance Premium (2012): \$99.90 to \$319.70 (Depends on income). Annual deductible is \$140.
- Income-Related Monthly Adjustment Amount (IRMAA) Information:

Number of Beneficiaries Affected: IRMAA/Part B -- 1.9 million in 2012 (4.2% of Part B beneficiaries) IRMAA/Part D -- 1.0 million in 2012 (3.2 % of Part D beneficiaries)

*Modified Adjusted Gross	s Income (MAGI)	Total Monthly Part B Premium	Additional Part D Premium		
<u>Single</u>	Married Couple				
\$85,000 or less	\$170,000 or less	\$99.90 (base premium)	\$ 0.00		
\$85,000.01-107,000.00	\$170,000.01-214,000.00	\$139.90	\$11.60		
\$107,000.01-160,000.00	\$214,000.01-320,000.00	\$199.80	\$29.90		
\$160,000.01-214,000.00	\$320,000.01-428,000.00	\$259.70	\$48.10		
\$214,000.01 or more	\$428,000.01 or more	\$319.70	\$66.40		
Married, Filing Separately					
\$85,000 or less		\$99.90 (base premium)	\$ 0.00		
\$85,000.01-129,000.00		\$259.70	\$48.10		
\$129,000.01 or more		\$319.70	\$66.40		

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 2012 Income Limits*
 - --Full Subsidy Below 135% of poverty guidelines (below \$15,079.50 for an individual in continental U.S.)
 - --Partial Subsidy Between 135%-150% of poverty guidelines (between \$15,079.50 and \$16,755 for an individual in continental U.S.)
 - --Amounts adjusted annually based on federal poverty levels (FPL)
 - o 2012 Resource Limits*
 - --Full Subsidy \$8,440 individual/\$13,410 married couple living together
 - --Partial Subsidy \$13,070 individual/\$26,120 married couple living together
 - -- Amount adjusted annually based on CPI
 - *Includes burial fund exclusion.

Resources/Contacts

Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (76.8 million calls received in FY 2011) SSA Online: http://www.socialsecurity.gov

Constituent Relations Staff: (410) 965-3929 Legislative Affairs Staff (202) 358-6030

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

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