

## 1999 Social Security 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-- \$72,600; HI-- No limit
- o Maximum FICA/SECA Taxes:
 

	<u>OASDI</u>	<u>HI</u>
Employee/employer:	\$4,501.20	No limit
Self-employed:	9,002.40	No limit
- o OASDI Workers Covered (in millions):
 

	<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
	141	15	150
- o Percent of workers who are covered: 96%
- o Estimated Worker/Beneficiary Ratio: 1999: 3.3 to 1                    2032: 2.0 to 1
- o Earnings Required for a Quarter of Coverage: \$740; (\$2,960 for four)
- o Domestic Employment Coverage Threshold: \$1,100
- o Retirement Test Exempt Amounts:
  - Age 65-69 ----- \$15,500 annually, \$1,292 monthly (\$1 for \$3 withholding rate)
  - Under age 65    -- \$9,600 annually, \$800 monthly (\$1 for \$2 withholding rate)
- o Supplementary Medical Insurance Premium: \$45.50
- o Substantial Gainful Activity: \$700/mo. nonblind, disabled (eff 7/1/99);  
                   \$1,110/mo. blind
- o Formulae Bend Points: (Applicable to workers who reach age 62, become  
   disabled, or die in 1999)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$505 of AIME, plus 32% of AIME over \$505 thru \$3,043, plus 15% of AIME over \$3,043	150% of first \$645 of PIA, plus 272% of PIA over \$645 thru \$931, plus 134% of PIA over \$931 thru \$1,214, plus 175% of PIA over \$1,214
(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)	

- o Average Monthly Benefits:
 

	<u>12/96</u>	<u>12/97</u>	<u>12/98</u>
Retired worker:	\$ 745	\$ 765	\$780
Retired worker and aged spouse:	1,256	1,288	1,310
Disabled worker:	704	722	733
Disabled worker, spouse and children:	1,172	1,197	1,219
Aged widow(er):	707	731	749
Widowed mother/father and 2 children:	1,466	1,509	1,542
- o Benefits for Jan. 1999 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)	\$ 622.10	\$ 497	\$ 576.90    \$ 576
Average earner	1,024.70	819	952.70      952
Maximum earner	1,479.60	1,183	1,373.10    1,373

- 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%

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: 1997: \$27,426; 1998: \$28,315 (est.)

o Age-72 Payments (December 1998):

	<u>Transitionally Insured (Byrnes)</u>	<u>Special-Age 72 Payment (Prouty)</u>
Individual:	205.70	205.70
Couple:	308.50	411.40

o Minimum PIA: Generally eliminated for workers eligible after 1981.

o Special Minimum PIA (12/98):

Approximately \$28.35 per year of coverage over 10 years; highest special minimum PIA equals \$567.00 based on 30 years of coverage.

<u>Minimum Earnings for Year of Coverage:</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
--Special Minimum:	\$7,290	\$7,605	\$8,055
--Windfall Elimination Provision:	\$12,150	\$12,675	\$13,425

o Number of OASDI Beneficiaries (as of December 1998):

--Total OASDI beneficiaries:	44.2 million
--Retired workers and family members:	30.8 million
-Retired workers:	27.5 million
--Spouses:	2.9 million
--Children:	0.4 million
--Survivors of deceased workers:	7.1 million
-Aged surviving spouses:	4.8 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	6.3 million
-Disabled workers:	4.7 million
-Spouses:	0.2 million
-Children:	1.4 million

o Number of OASDI Children Beneficiaries (December 1998):

--Total:	3,768,928
-Children under age 18:	2,962,704
-Students aged 18-19:	93,452
-Disabled Children aged 18 or older:	712,772

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>
1997	OASI	\$397	\$322	\$589
	DI	60	47	66
1998(est.)	OASI	\$420	\$332	\$677
	DI	64	51	80

o <u>OASDI Administrative Expenses (CY 1998):</u>	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Estimated Amount (in millions)	\$2,180	\$1,239	\$3,419
Percent of Benefit Payments	0.7%	2.5%	0.9%

o SSI Payment Standard: \$500 individual, \$751 couple (effect. 1/99)

o Number of SSI Beneficiaries and Average Payments (11/98):

	<u>Beneficiaries</u>	<u>Average Payments</u>
<u>Total:</u>	6,603,126	\$359.49
Aged -----	1,340,304	\$276.40
Blind & Disabled -----	5,262,822	380.97

SSI Beneficiaries by Age

Under 18 -----	894,764	\$446.94
Age 18-64 -----	3,666,072	383.04
Age 65 and Over -----	2,042,290	281.37

o SSI Expenditures Fiscal Year 1998

Federal SSI payments -----	\$27.1 billion
Fed. Administered State Supplements ----	3.1 billion

o Number of people receiving monthly benefits from SSA (October 1998):

Total -----	48.4 million
-OASDI Benefits only -----	41.8 million
-SSI Benefits only -----	4.2 million
-OASDI and SSI Benefits Concurrently ----	2.4 million

o Census Bureau Poverty Threshold:

	<u>1995</u>	<u>1996</u>	<u>1997</u>
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Aged individual:	\$ 7,309	\$ 7,525	\$ 7,698
Couple, aged head:	9,219	9,491	9,712
Family of four:	15,569	16,036	16,400

o Social Security benefits keep 41% of today's aged beneficiaries out of poverty.

o Key dates from 1998 OASDI Trustees Report:

- 2012 OASDI assets peak at 324 percent of expenditures.
- 2013 Expenditures exceed tax income for the first time since 1983.
- 2021 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
- 2032 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would continue to support about three-fourths of the expected benefits.

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