

2002 Social Security/SSI/Medicare Information

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.

Maximum Taxable Earnings Base: OASDI - \$84,900; HI-- No limit

Maximum FICA/SECA Taxes:

Maximum FICA/SECA Taxes	OASDI	HI
Employee/employer (each):	\$5,263.80	No limit
Self-employed:	\$10,527.60	No limit

OASDI Covered Workers (in millions, est):

Wages	Self-employed	Combined
146.6	14.7	155.3

Percent of workers who are covered: 96%

Estimated Worker/Beneficiary Ratio: 2002: 3.4 to 1 2040: 2.0 to 1

Earnings Required for a Quarter of Coverage: \$870; (\$3,480 for four)

Domestic Employment Coverage Threshold: \$1,300

Retirement Test Exempt Amounts:

-No test after normal retirement age—i.e., age 65 for those attaining age 65 in 2002

-For pre-age 65 months in year attaining age 65: \$30,000 annually, \$2,500 monthly (\$1 for \$3 withholding rate)

-Under age 65: \$11,280 annually, \$940 monthly (\$1 for \$2 withholding rate)

Supplementary Medical Insurance Premium: \$54.00

Substantial Gainful Activity: \$780/mo. non-blind, disabled; \$1,300/mo. Blind

Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2002)

Primary Insurance Amount (PIA)

90% of first \$592 of AIME, plus
32% of AIME over \$592 thru \$3,567, +
15% of AIME over \$3,567

OASI Maximum Family Benefit (MFB)

150% of first \$756 of PIA, plus
272% of PIA over \$756 thru \$1,092 +
134% of PIA over \$1,092 thru \$1,424, +
175% of PIA over \$1,424

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

Average Monthly Benefits:

Average Monthly Benefits:	12/00	12/01
Retired worker:	\$844	\$874
Retired worker and aged spouse:	\$1,410	\$1,455
Disabled worker:	\$786	\$814
Disabled worker, spouse and children:	\$1,311	\$1,360
Aged widow(er):	\$811	\$841
Widowed mother/father and 2 children:	\$1,680	\$1,757

Benefits for Jan. 2002 Retirees:

	Age 62 PIA	Age 62 Benefit	Age 65 PIA	Age 65 Benefit
Low earner (45% of avg. wages):	\$ 729.60	\$ 568	\$ 682.70	\$ 682
Average earner:	1,201.90	936	1,127.30	1,127
Maximum earner:	1,774.60	1,382	1,660.50	1,660

Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030 or later

Scaled low earner (45% of avg. wages): 56%; Scaled medium earner: 42%; Maximum earner: 28%

COLA: Increase payable in January 2002 benefits – 2.6 percent

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:

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

Average Wage Level: 2000: \$32,155 2001: \$33,733 (est.)

Special Minimum PIA (12/01):

Approximately \$30.85 per year of coverage over 10 years; highest special minimum PIA = \$617.00 (30 years/coverage)

Minimum Earnings for Year of Coverage:

	2001	2002
Special Minimum:	\$8,955	\$9,450
Windfall Elimination Provision:	\$14,925	\$15,750

Number of OASDI Beneficiaries (as of 12/01):

Total OASDI beneficiaries:	45.9 million
Retired workers and family members:	32.0 million
Retired workers:	28.8 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:	6.9 million
Disabled workers:	5.3 million
Spouses:	0.2 million
Children:	1.5 million

Number of OASDI Children Beneficiaries (12/01):

Total:	3,839,381
Children under age 18:	2,993,852
Students aged 18-19:	108,983
Disabled Children aged 18 and older:	736,546

OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2002 Trustees Report):

Calendar Year	Fund	Income	Outgo	Fund at End of Year
2000	OASI	\$491	\$358	\$931
2000	DI	78	57	118
2001	OASI	\$518	\$378	\$1,072
2001	DI	87	61	141

OASDI Administrative Expenses (FY 2000):

OASDI Administrative Expenses (FY 2000):	OASI	DI	OASDI
Amount (in millions)	\$ 1,870	\$1,722	\$3,592
Percent of Benefit Payments	0.5%	3.0%	0.8%

SSI Payment Standard: \$545 individual, \$817 couple (effective 01/02)

Number of SSI Beneficiaries and Average Payments (11/01):

	Beneficiaries	Average Payments
Total:	6,670,202	\$393.62
Aged	1,270,196	\$313.05
Blind & Disabled	5,400,006	\$412.71
SSI Beneficiaries by Age:		
Under 18	865,724	\$481.50

Age 18-64	3,804,334	\$415.24
Age 65 and Over	2,000,144	\$315.48

SSI Expenditures FY 2001

Federal SSI payments	\$27.7 billion
Fed. Administered State Supplements	\$3.2 billion

Number of people receiving monthly benefits from SSA (11/01):

OASDI Benefits only	43.0 million
SSI Benefits only	4.3 million
OASDI and SSI Benefits Concurrently	2.4 million
Total	49.6 million

Census Bureau Poverty Threshold:

	1998	1999	2000
Aged Individual:	\$7,818	\$7,990	\$8,259
Couple, aged head:	9,862	10,075	10,419
Family of four:	16,660	17,029	17,603

Social Security benefits kept 39.5% of today's aged beneficiaries out of poverty in 2000.

Program Accuracy

OASDI Program Dollar Accuracy Rate (Non-medical Factors) -- FY 2000

99.9% of payment outlays without an overpayment

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SSI Program Dollar Accuracy Rate (Non-medical Factors) -- FY 2000

93.6% of payment outlays without overpayment

98.6% of payment outlays without underpayment

DDS Accuracy Rate for Initial Disability Decisions – FY 2000

96.8% - Allowance performance accuracy rate

92.0% - Denial performance accuracy rate

Key dates from 2002 OASDI Trustees Report: (using intermediate assumptions)

2015 OASDI assets peak at 471 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.

2041 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 73% of the expected benefits.

Estimated long-range deficit: 1.87 percent of taxable payroll.

Social Security Information: 1-800-SSA-1213

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