

**User's Guide for Social Security Benefit Calculator**

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## Social Security Benefit Calculator

The Social Security Benefit Calculator calculates the Social Security benefit for an old-age, survivor, or disability claim, given the characteristics of a particular worker (such as birth date, past earnings, and type of benefit). It also produces the Primary Insurance Amount (PIA), Maximum Family Benefit (MFB), the actuarial reduction or increment factor (for early or delayed retirement), and the Monthly Benefit Amount (MBA).

The Calculator can produce a benefit for any historical case from the first Social Security benefit paid (1940). It can also produce a projected benefit estimate, based on standard or user-specified assumptions, through 2080. All amendments to the law, and automatic adjustments, through 2011 are taken into account.

The Calculator can also produce the figures shown in the Social Security Statement. The Social Security Statement provides estimates for retirement at early, full, and delayed retirement ages, and survivors and disability benefits. Note, however, that some of the data required by the Calculator, such as past earnings, can only be obtained by first requesting an official Social Security Statement.

Although we have tried to be as accurate as possible, this is not the same program as is used for official Social Security calculations and it may produce results that differ from an official calculation. In particular, for primary benefits, we have made approximations for pre-1965 benefits and for the frozen minimum PIA, and we do not yet take account of disability non-exclusion calculations. In addition, the calculator is not set up to estimate dependent or survivor benefits in situations where the dependent or survivor also receives benefits based on their own record, or survivor benefits where the benefit is affected by the worker's retired worker benefit prior to death. Based on experience to date, the Calculator matches the official calculations very well, with most differences due to late posting of earnings to the earnings record, or different assumptions for projected benefits.

The source program is not copyrighted. Distribution is encouraged, with acknowledgment to the Social Security Administration, Office of the Actuary.



## How to...

### Install/uninstall on Windows

The downloadable files are stored in an InstallShield file. See [download.html](#) for information on downloading.

After downloading the program, install it by executing the downloaded file. The InstallShield dialog boxes will guide you through the installation process. When it is finished, you will have a folder named **Calculator** with 33 files:

- anypia32.exe - the benefit calculator;
- anypia32.chm - help information;
- readme.txt - last-minute information; and
- 30 sample calculation files (with extensions of .pia).

The default location for the folder is in a folder named **SSA**, inside your **Program Files** folder. There will also be an entry in your Start Menu and an alias on your desktop for the benefit calculator. To start the program, choose it from the Start Menu, or click the alias on the desktop.

To uninstall the calculator, select Settings, Control Panel from the Start Menu. Choose Add/Remove Programs. Highlight Social Security Benefit Calculator and click on the Add/Remove button.

### Install/uninstall on a Mac

The downloadable files are stored in Stuffit (.sit) format. Download Anypia.sit and expand the calculator using Stuffit Expander. This creates a folder named **Benefit Calculator**. It contains 32 files and 2 subfolders:

- **Anypia** - the benefit estimate program;
- **readme.txt** - last-minute information;
- 30 sample calculation files (with extensions of .pia);
- subfolder **html** containing about 400 help files in html format, divided among 11 subfolders; and
- subfolder **images** containing 17 .gif images used in the html files.

Start the calculator by double-clicking on **Anypia**. A desktop alias can be created for **Anypia** using the usual facilities available in the MacOS. Start your browsing of the help files with **main\_index.html** in the **html** subfolder.

To uninstall the calculator, drag the **Benefit Calculator** folder to the trashcan.

### Entering data for a new case

To enter data for a new case, choose Forms from the main menu. There will be about ten menu items listed. Some will be grayed out, meaning that they do not currently apply to the case being

entered. Start at the top of the list of forms and choose each one that is not grayed out. A form will pop up each time you make a choice from the list of menu items. Enter the appropriate data in each box and click on OK.

If you make a mistake, a warning box will pop up and describe the error. When you click OK in the warning box, you will be returned to the form to correct your error.

After you have gone down the list of forms and entered all your data, choose File from the main menu. Select Calculate Estimate to calculate the Social Security benefit. The results will appear on the screen. (You may have to scroll down the screen to see all of the results.)

To print the results, choose File from the main menu and select Print.

## Estimate a normal retirement benefit

To get a standard retirement benefit estimate using the calculator, you need to enter information on the program's forms, which you access from the forms menu. Do the following:

1. Enter your birthdate on the worker information form and any other information here you want to show up on your estimate.
2. Enter the date at which you want to start receiving benefits in the entitlement date blank on the supplemental worker form and enter the years in which you will enter your earnings. You should include estimated future earnings.
3. Go to the annual earnings form and enter all your earnings.
4. If you wish, go to the assumptions form and select the set of future economic assumptions you wish to use in estimating your benefit.
5. If you earned less than 40 quarters of coverage (QCs) after 1977, enter the number of QCs you earned before 1978 on the summary QCs form so that the calculator will know you are fully insured.
6. Select calculate estimate on the file menu.

Your benefit estimate will be on the first page of output, and is labeled "Benefit after rounding."

## File structure

The file created when you choose "Save" or "Save As" from the File menu is stored in a file with a name ending in ".pia". Normally you do not need to view the file directly; you would choose "Open" from the File menu to read the file back into the Social Security Benefit Calculator.

In some cases you may want to view or edit a ".pia" file. The file is stored as ASCII text, where each line begins with a 2-digit line number. The rest of each line depends on the line number, as follows:

Line number	Position	Description
01	3-11	Social Security number
	12	Sex
		0 for male

		1 for female
	13-14	Month of birth
	15-16	Day of birth
	17-20	Year of birth
<b>02</b>	3-4	Month of death
	5-6	Day of death
	7-10	Year of death
<b>03</b>	3	Type of benefit 1 for old age 2 for survivor 3 for disability 4 for Social Security Statement
	4-5	Month of entitlement
	6-9	Year of entitlement
<b>04</b>	3-4	Month of benefit
	5-8	Year of benefit
<b>05</b>	3-4	Month of operation for Social Security Statement estimate
	5-6	Planned age of retirement for Social Security Statement estimate
<b>06</b>	3-6	First year of earnings
	7-10	Last year of earnings
<b>07</b>	3	Type of backward projection 0 for no backward projection 1 for projection related to average wage increase 2 for projection by a constant percentage
	4-9	Backward projection percentage
	10-13	Last year of earnings in backward projection period
<b>08</b>	3	Type of forward projection 0 for no forward projection 1 for projection related to average wage increase 2 for projection by a constant percentage
	4-9	Forward projection percentage
	10-13	First year of earnings in forward projection period
<b>09</b>	3-4	Month of onset for most recent period of disability
	5-6	Day of onset for most recent period of disability
	7-10	Year of onset for most recent period of disability
	11-12	Month of entitlement for most recent period of disability
	13-16	Year of entitlement for most recent period of disability
	17-18	Month of first month of waiting period for most recent period of disability
	19-22	Year of first month of waiting period for most recent period of disability
	23-24	Month of cessation for most recent period of disability
	25-28	Year of cessation for most recent period of disability
	29-38	PIA at cessation of most recent period of disability (Optional)
	39-48	MFB at cessation of most recent period of disability (Optional)
<b>10</b>	3-4	Month of onset for second most recent period of disability
	5-6	Day of onset for second most recent period of disability
	7-10	Year of onset for second most recent period of disability
	11-12	Month of entitlement for second most recent period of disability
	13-16	Year of entitlement for second most recent period of disability
	17-18	Month of first month of waiting period for second most recent period of disability
	19-22	Year of first month of waiting period for second most recent period of disability
	23-24	Month of cessation for second most recent period of disability
	25-28	Year of cessation for second most recent period of disability

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	29-38	PIA at cessation of second most recent period of disability (Optional)
	39-48	MFB at cessation of second most recent period of disability (Optional)
<b>11</b>	3-4	Beginning month of first period of military service
	5-8	Beginning year of first period of military service
	9-10	Ending month of first period of military service
	11-14	Ending year of first period of military service
	15-26	Beginning and ending dates of second period of military service
	...	Beginning and ending dates of third through 15th periods of military service
<b>12</b>	3-12	Monthly noncovered pension
	13-14	Month of entitlement to noncovered pension
	15-18	Year of entitlement to noncovered pension
<b>13</b>	3	Totalization indicator (1 if totalization applies, 0 otherwise)
<b>14</b>	3	Blindness indicator (1 if worker is blind, 0 otherwise)
<b>15</b>	3	Deemed insured indicator (1 if deemed insured provision applies) 0 otherwise
<b>16</b>	3-37	Number holder's name
<b>17</b>	3-37	First line of number holder's address
<b>18</b>	3-37	Second line of number holder's address
<b>19</b>	3-37	Third line of number holder's address
<b>20</b>	*	Type of earnings with 1 position for each year from first year in line 6, or year in line 7 if specified, to last year in line 6, or year in line 8 if specified 0 for entered earnings 1 for maximum 2 for high 3 for average 4 for low
<b>21</b>	*	Type of taxes, with 1 position for each year in period specified in line 6 0 for employee taxes 1 for self-employed taxes

**Earnings on lines 22-29 are for same years for which type of earnings were specified on line 20. Each earnings amount takes 11 positions, with two decimal places and leading blanks if required, e.g. " 100000.00" for \$100,000.00 in earnings.**

<b>22</b>	*	First 10 years of OASDI earnings
<b>23</b>	*	Second 10 years of OASDI earnings
<b>24</b>	*	Third 10 years of OASDI earnings
<b>25</b>	*	Fourth 10 years of OASDI earnings
<b>26</b>	*	Fifth 10 years of OASDI earnings
<b>27</b>	*	Sixth 10 years of OASDI earnings
<b>28</b>	*	Seventh 10 years of OASDI earnings
<b>29</b>	*	Eighth 10 years of OASDI earnings

**Earnings on lines 30-37 are for period starting with maximum of 1983 and first year specified on line 6 and ending with last year on line 6. Each earnings amount takes 11 positions, with two decimal places and leading blanks if required, e.g. " 100000.00" for \$100,000.00 in earnings.**

<b>30</b>	*	First 10 years of HI earnings
<b>31</b>	*	Second 10 years of HI earnings
<b>32</b>	*	Third 10 years of HI earnings
<b>33</b>	*	Fourth 10 years of HI earnings
<b>34</b>	*	Fifth 10 years of HI earnings
<b>35</b>	*	Sixth 10 years of HI earnings
<b>36</b>	*	Seventh 10 years of HI earnings
<b>37</b>	*	Eighth 10 years of HI earnings
<b>38</b>	3-12	Monthly noncovered pension after removal of military reservist pension
<b>39</b>	3-4	Month of old-age entitlement prior to most recent disability

	5-8	Year of old-age entitlement prior to most recent disability
	9-10	Month of old-age termination prior to most recent disability
	11-14	Year of old-age termination prior to most recent disability
<b>40</b>	3-6	First year of benefit increase projection
	7	Benefit increase assumption indicator (1-7 for the 7 alternatives listed in the assumptions dialog box)
	8	Average wage increase assumption indicator (1-7 for the 7 alternatives listed in the assumptions dialog box)
	9	Maximum wage base projection indicator 1 for automatic projection 2 for ad hoc bases

**Benefit increases on lines 41-44 start in year specified on line 40 and end in year specified on line 3 (or line 4 if specified). Each increase takes 4 positions, with one decimal place and leading blanks if required, e.g. " 4.0" for a 4-percent benefit increase.**

<b>41</b>	3-6	First benefit increase
	7-10	Second benefit increase
	...	Third through 20th benefit increase
<b>42</b>	3-82	21st through 40th benefit increase
<b>43</b>	3-82	41st through 60th benefit increase
<b>44</b>	3-82	61st through 80th benefit increase

**Catch-up increases on lines 45-54 start two years after year specified on line 40. Each increase takes 4 positions, with one decimal place and leading blanks if required, e.g. " 4.0" for a 4-percent benefit increase.**

<b>45</b>	3-6	First catch-up benefit increase for year of eligibility specified on line 40
	7-10	Second catch-up benefit increase for year of eligibility specified on line 40
	11-14	Third catch-up benefit increase for year of eligibility specified on line 40
	15-18	Fourth catch-up benefit increase for year of eligibility specified on line 40
	19-22	Fifth catch-up benefit increase for year of eligibility specified on line 40
	23-26	Sixth catch-up benefit increase for year of eligibility specified on line 40
	27-30	Seventh catch-up benefit increase for year of eligibility specified on line 40
	31-34	Eighth catch-up benefit increase for year of eligibility specified on line 40
<b>46</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 45
<b>47</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 46
<b>48</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 47
<b>49</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 48
<b>50</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 49
<b>51</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 50
<b>52</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 51
<b>53</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 52
<b>54</b>	3-34	8 catch-up benefit increases for next year of eligibility after year used in line 53
<b>55</b>	3-67	Title of benefit increase assumptions

**Average wage increases on lines 56-59 start in year before year specified on line 40 and end in year specified on line 3 (or line 4 if specified). Each increase takes 6 positions, with three decimal places and leading blanks if required, e.g. " 4.000" for a 4-percent average wage increase.**

<b>56</b>	3-8	First average wage increase
	9-14	Second average wage increase
	...	Third through 20th average wage increase
<b>57</b>	3-122	21st through 40th average wage increase
<b>58</b>	3-122	41st through 60th average wage increase
<b>59</b>	3-122	61st through 80th average wage increase
<b>60</b>	3-67	Title of average wage increase assumptions

**Maximum OASDI wage bases on lines 61-64 start in year after year specified on line 40 and end in year specified on line 3 (or line 4 if specified). Each wage base takes 11 positions, with two decimal places and leading blanks if required, e.g. " 1000000.00" for a \$1,000,000.00 wage base.**

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<b>61</b>	3-13	First OASDI wage base
	14-24	Second OASDI wage base
	...	Third through 20th OASDI wage bases
<b>62</b>	3-222	21st through 40th OASDI wage bases
<b>63</b>	3-222	41st through 60th OASDI wage bases
<b>64</b>	3-222	61st through 80th OASDI wage bases

**Maximum old-law wage bases on lines 65-68 start in year after year specified on line 40 and end in year specified on line 3 (or line 4 if specified). Each wage base takes 11 positions, with two decimal places and leading blanks if required, e.g. " 1000000.00" for a \$1,000,000.00 wage base.**

<b>65</b>	3-13	First old-law wage base
	14-24	Second old-law wage base
	...	Third through 20th old-law wage bases
<b>66</b>	3-222	21st through 40th old-law wage bases
<b>67</b>	3-222	41st through 60th old-law wage bases
<b>68</b>	3-222	61st through 80th old-law wage bases
<b>69</b>	3	First family member's major beneficiary identification code (bic) A - primary (old-age or disability) B - wife or husband (young or aged) C - child (minor, student, or disabled) D - aged widow(er) E - mother or father F - parent T - transitionally insured U - transitionally uninsured W - disabled widow(er)
	4	First family member's minor beneficiary identification code (bic) If major bic is B, then: blank - aged wife or husband 2 - young wife or husband 6 - divorced aged wife or husband If major bic is D, then: blank - aged wife or husband 6 - surviving divorced wife or husband If major bic is W, then: blank - disabled widow(er) 6 - surviving disabled divorced wife or husband
	5-6	First family member's month of birth
	7-8	First family member's day of birth
	9-12	First family member's year of birth
	13-14	First family member's month of entitlement
	15-18	First family member's year of entitlement
	19-20	Widow(er)'s month of disability onset (if major bic is W)
	21-22	Widow(er)'s day of disability onset (if major bic is W)
	23-26	Widow(er)'s year of disability onset (if major bic is W)
<b>70</b>	3-26	Data for second family member, as in line 69
<b>71</b>	3-26	Data for third family member, as in line 69
<b>72</b>	3-26	Data for fourth family member, as in line 69
<b>73</b>	3-26	Data for fifth family member, as in line 69
<b>74</b>	3-26	Data for sixth family member, as in line 69
<b>75</b>	3-26	Data for seventh family member, as in line 69
<b>76</b>	3-26	Data for eighth family member, as in line 69
<b>77</b>	3-26	Data for ninth family member, as in line 69
<b>78</b>	3-26	Data for 10th family member, as in line 69
<b>79</b>	3-26	Data for 11th family member, as in line 69

<b>80</b>	3-26	Data for 12th family member, as in line 69
<b>81</b>	3-26	Data for 13th family member, as in line 69
<b>82</b>	3-26	Data for 14th family member, as in line 69
<b>83</b>	3-26	Data for 15th family member, as in line 69
<b>84</b>	3-4	Total railroad quarters of coverage, 1937-1950
	5-15	Total railroad earnings, 1937-1950
<b>85</b>	3-6	First year of railroad earnings
	7-10	Last year of railroad earnings
<b>86</b>	3-29	Annual railroad quarters of coverage, with 1 position for each year from 1951 to 1977
<b>87</b>	3-112	First 10 years of railroad earnings
<b>88</b>	3-112	Second 10 years of railroad earnings
<b>89</b>	3-112	Third 10 years of railroad earnings
<b>90</b>	3-112	Fourth 10 years of railroad earnings
<b>91</b>	3-112	Fifth 10 years of railroad earnings
<b>92</b>	3-112	Sixth 10 years of railroad earnings
<b>93</b>	3-112	Seventh 10 years of railroad earnings
<b>94</b>	3-112	Eighth 10 years of railroad earnings
<b>95</b>	3-5	Total quarters of coverage, 1937-1977
	6-8	Total quarters of coverage, 1951-1977
<b>96</b>	*	Annual quarters of coverage, with 1 position for each year from first year in line 6 to earlier of last year in line 6 or 1977 (0-4)
<b>97</b>	*	Annual indicator for childcare year, with 1 position for each year from first year in line 6 to last year in line 6 0 for non-childcare year 1 for childcare year



# Menus

## File menu

### File menu commands

The File menu offers the following commands:


- New: Creates a new document.
- Open: Opens an existing document.
- Save: Saves an opened document using the same file name.
- Save As: Saves an opened document to a specified file name.
- Calculate Estimate: Calculate benefit estimate using the current data.
- Page Setup: Review or update top and left margins, and font size, of printed report.
- Print: Prints a document.
- Print Preview: Displays the document on the screen as it would appear printed.
- Print Setup: Selects a printer and printer connection.
- Exit: Exits the Social Security Benefit Calculator.

### New command (File menu)

Use this command to create a new case in the Social Security Benefit Calculator.

You can open an existing document with the Open command.

### Shortcuts

Toolbar: 

Keys:CTRL+N

### Open command (File menu)

Use this command to open an existing document.

You can start a new case with the New command.

### Shortcuts

Toolbar: 

Keys:CTRL+O

### File Open dialog box

The following options allow you to specify which file to open:

### **File Name**

Type or select the filename you want to open. This box lists files with the extension you select in the List Files of Type box.

### **List Files of Type**

Select the type of file you want to open. All cases used in the Social Security Benefit Calculator should be in files with an extension of ".pia".

### **Drives**

Select the drive in which in the Social Security Benefit Calculator stores the file that you want to open.

### **Directories**

Select the directory in which in the Social Security Benefit Calculator stores the file that you want to open.

### **Network...**

Choose this button to connect to a network location, assigning it a new drive letter.

### **Save command (File menu)**

Use this command to save the active document to its current name and directory. When you save a document for the first time, this program displays the Save As dialog box so you can name your document. If you want to change the name and directory of an existing document before you save it, choose the Save As command.

### **Shortcuts**

Toolbar: 

Keys:CTRL+S

### **Save As command (File menu)**

Use this command to save and name the active document. This program displays the Save As dialog box so you can name your document.

To save a document with its existing name and directory, use the Save command.

## **File Save As dialog box**

The following options allow you to specify the name and location of the file you're about to save:

### **File Name**

Type a new filename to save a document with a different name. A filename can contain up to eight characters and an extension of up to three characters. The Social Security Benefit Calculator adds the extension you specify in the Save File As Type box (currently always ".pia").

### **Drives**

Select the drive in which you want to store the document.

### **Directories**

Select the directory in which you want to store the document.

### **Network...**

Choose this button to connect to a network location, assigning it a new drive letter.

## **Calculate Estimate**

When you choose "Calculate Estimate" from the File menu item, the benefit is computed for the case for which data has been entered. The results are presented on the screen. You can print out the results by choosing Print from the File menu item.

## **Page Setup command**

### **Page Setup command (File menu)**

The "Page Setup" menu choice allows you to set the printed report length, the top and left margins, and the point size. The dialog box has the following entries:

- Top margin: Top margin for a printed report.
- Left margin: Left margin for a printed report.
- Font size: Font size in points for a printed report.

After you have modified the report length, margins, or font size, the new values are saved in the Registry. Press Cancel to exit from the dialog box without saving any new values to the Registry.

### **Top margin (Page Setup dialog)**

Enter an amount from 0 to 2 inches. The exact margin that appears on your printed output may vary slightly from the amount entered here, depending on how much margin your printer adds.

## Left margin (Page Setup dialog)

Enter an amount from 0 to 2 inches. The exact margin that appears on your printed output may vary slightly from the amount entered here, depending on how much margin your printer adds.

## Font size (Page Setup dialog)

Enter the font size in points for the printed report. A font size of 10 is recommended, but this may vary for different printers.

## Print command

### Print command (File menu)

Use this command to print a document. This command presents a Print dialog box, where you may specify the range of pages to be printed, the number of copies, the destination printer, and other printer setup options.

### Shortcuts

Toolbar: 

Keys: CTRL+P

## Print dialog box

The following options allow you to specify how the document should be printed:

### Printer

This is the active printer and printer connection. Choose the Setup option to change the printer and printer connection.

### Setup

Displays a Print Setup dialog box, so you can select a printer and printer connection.

### Print Range

Specify the pages you want to print:

- All: Prints the entire document.
- Selection: Prints the currently selected text.
- Pages: Prints the range of pages you specify in the From and To boxes.

### Copies

Specify the number of copies you want to print for the above page range.

### **Collate Copies**

Prints copies in page number order, instead of separated multiple copies of each page.

### **Print Quality**

Select the quality of the printing. Generally, lower quality printing takes less time to produce.

### **Print Progress dialog**

The Printing dialog box is shown during the time that the Social Security Benefit Calculator is sending output to the printer. The page number indicates the progress of the printing.

To abort printing, choose Cancel.

### **Print Preview command (File menu)**

Use this command to display the active document as it would appear when printed. When you choose this command, the main window will be replaced with a print preview window in which one or two pages will be displayed in their printed format. The print preview toolbar offers you options to view either one or two pages at a time; move back and forth through the document; zoom in and out of pages; and initiate a print job.

### **Print Preview toolbar**

The print preview toolbar offers you the following options:

#### **Print**

Bring up the print dialog box, to start a print job.

#### **Next Page**

Preview the next printed page.

#### **Prev Page**

Preview the previous printed page.

#### **One Page / Two Page**

Preview one or two printed pages at a time.

#### **Zoom In**

Take a closer look at the printed page.

### **Zoom Out**

Take a larger look at the printed page.

### **Close**

Return from print preview to the editing window.

### **Print Setup command (File menu)**

Use this command to select a printer and a printer connection. This command presents a Print Setup dialog box, where you specify the printer and its connection.

### **Print Setup dialog box**

The following options allow you to select the destination printer and its connection.

#### **Printer**

Select the printer you want to use. Choose the Default Printer; or choose the Specific Printer option and select one of the current installed printers shown in the box. You install printers and configure ports using the Windows Control Panel.

#### **Orientation**

Choose Portrait or Landscape.

#### **Paper Size**

Select the size of paper that the document is to be printed on.

#### **Paper Source**

Some printers offer multiple trays for different paper sources. Specify the tray here.

#### **Options**

Displays a dialog box where you can make additional choices about printing, specific to the type of printer you have selected.

#### **Network...**

Choose this button to connect to a network location, assigning it a new drive letter.

## **1, 2, 3, 4 command (File menu)**

Use the numbers and filenames listed at the bottom of the File menu to open the last four cases you closed. Choose the number that corresponds with the document you want to open.

## **Exit command (File menu)**

Use this command to end your Social Security Benefit Calculator session. You can also use the Close command on the application Control menu. This program prompts you to save documents with unsaved changes.

## **Shortcuts**

Mouse: Double-click the application's Control menu button.



Keys: ALT+F4

## **Edit menu**

### **Edit menu commands**

The Edit menu offers the following commands:

- Undo: Reverse previous editing operation.
- Cut: Deletes data from the document and moves it to the clipboard.
- Copy: Copies data from the document to the clipboard.
- Paste: Pastes data from the clipboard into the document.

### **Undo/Can't Undo command (Edit menu)**

(Not currently implemented.)

### **Cut command (Edit menu)**

(Not currently implemented.)

### **Copy command (Edit menu)**

(Not currently implemented.)

### **Paste command (Edit menu)**

(Not currently implemented.)

## View menu

### View menu commands

The View menu offers the following commands:

- Toolbar: Shows or hides the toolbar.
- Status Bar: Shows or hides the status bar.
- Screen settings: Review or update font size for screen output.

### Toolbar command (View menu)

Use this command to display and hide the Toolbar, which includes buttons for some of the most common commands in this program, such as File Open. A check mark appears next to the menu item when the Toolbar is displayed.

See Toolbar for help on using the toolbar.

## Toolbar



The toolbar is displayed across the top of the application window, below the menu bar. The toolbar provides quick mouse access to many tools used in the Social Security Benefit Calculator.

To hide or display the Toolbar, choose Toolbar from the View menu (ALT, V, T).

### ClickTo



Open a new case.



Open an existing case. The Social Security Benefit Calculator displays the Open dialog box, in which you can locate and open the desired file.



Save the active case with its current name. If you have not named the document, the Social Security Benefit Calculator displays the Save As dialog box.



Print the active case.



(Not currently implemented.)



(Not currently implemented.)



(Not currently implemented.)



(Not currently implemented.)

## Status Bar command (View menu)

Use this command to display and hide the Status Bar, which describes the action to be executed by the selected menu item or depressed toolbar button, and keyboard latch state. A check mark appears next to the menu item when the Status Bar is displayed.

See Status Bar for help on using the status bar.

## Status Bar



The status bar is displayed at the bottom of the Social Security Benefit Calculator window. To display or hide the status bar, use the Status Bar command in the View menu.

The left area of the status bar describes actions of menu items as you use the arrow keys to navigate through menus. This area similarly shows messages that describe the actions of toolbar buttons as you depress them, before releasing them. If after viewing the description of the toolbar button command you wish not to execute the command, then release the mouse button while the pointer is off the toolbar button.

The right areas of the status bar indicate which of the following keys are latched down:

### Indicator Description

CAP: The Caps Lock key is latched down.

NUM: The Num Lock key is latched down.

SCRL: The Scroll Lock key is latched down.

## Font command (View menu)

The "Font" menu choice allows you to set the point size for screen output. The dialog box has the following entry:

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- Font size: Font size in points for screen output.

After you have modified the screen font size, the new value is saved in the Registry. Press Cancel to exit from the dialog box without saving any new values to the Registry.

### Font size (Font dialog)

Enter the font size in points for the screen output. A font size of 12 is recommended, but this may vary for different monitors.

## Forms menu

### Forms menu commands

The Forms menu offers the following commands:

- Worker Info: Basic worker information.
- Statement Info: Social Security Statement information.
- Supplemental Worker Info: Supplemental worker information for an old-age, disability, or survivor benefit.
- Disability Info: Disability information.
- Family Members: Family member information.
- Military Service: Military service dates.
- Summary QCs: Total quarters of coverage up to 1977.
- Assumptions: Assumptions about future benefit increases, average wage increases, and wage bases.
- Benefit Increases: Annual future benefit increases entered by user.
- Catch-up Increases: Future catch-up benefit increases entered by user.
- Average Wage Increases: Annual future average wage increases entered by user.
- Wage Bases: Annual future present law and old law wage bases entered by user.
- Annual Earnings Info: Earnings information for each year.

## Worker Info form

### Basic worker information

The basic worker information form has the following entries:

- Name: Name of person with Social Security earnings.
- Social Security Number: Social Security number of person with Social Security earnings.
- Date of birth: Date of birth of person with Social Security earnings.
- Date of death: Worker's date of death.
- Address: Address of beneficiary.
- Totalization: Indicator for totalization benefit.
- No regular Social Security earnings: Indicator for no regular Social Security earnings (must have some railroad earnings or military service).
- Railroad earnings: Indicator for some railroad earnings.

- Military service: Indicator for some military service.
- Medicare-only earnings: Indicator for Medicare-only earnings in some years.
- Blindness: Indicator for statutory blindness where disability applies.
- Deemed insured: Indicator for deemed insured status provision applicable in old-age case.
- Sex of worker: Sex of worker (female or male).
- Type of benefit: Type of benefit (old-age, survivor, disability, or Social Security Statement).
- Number of family members: Number of family members (other than worker).

### **Name of worker (Worker Info form)**

Enter the worker's name. The name and Social Security number will be printed on each page of output for other than a Social Security Statement case, while the name and address will be printed on a letter transmitting the estimates to the requester of a Social Security Statement.

### **Social Security number (Worker Info form)**

Enter the worker's Social Security number, using the three boxes. Three digits go in the first box, two in the second, and four in the third.

The name and Social Security number will be printed on each page of output for other than a Social Security Statement case.

### **Date of birth of worker (Worker Info form)**

Enter the month (1-12), day (1-31), and year (4 digits) of birth of the worker, separated by slashes. Even if you are calculating the benefit for an auxiliary or survivor beneficiary, you should enter the worker's date of birth.

You may notice some odd results for workers born on the first day of the month, and particularly on the first day of January. This is because the Social Security law is written in terms of "attainment" of a certain age, and an age is "attained" on the day before a birthday.

### **Date of death (Worker Info form)**

This field is available if you choose survivor as the type of benefit. Enter the month (1-12), day (1-31), and year (4 digits) of death, separated by slashes. The date of death must not be after the date of entitlement of any family member (entered in the Family Members form), or an error message will appear.

### **Address of worker (Worker Info form)**

Enter the worker's address, using up to three lines. The name and address will be printed on a letter transmitting the estimates to the requester of a Social Security Statement.

### **Earnings projections (Worker Info form)**

If you do not know the actual earnings for all years, you may want to enter earnings for some years and project earnings prior to the first year entered and/or after the last year entered. The benefit calculated with projected earnings will of course be only approximate, to the extent that the projected earnings differ from the actual earnings for those years.

Check the backward projection box if you want to project earnings prior to the first year of entered earnings. Check the forward projection box if you want to project earnings after the last year of entered earnings. The Supplemental Worker Info form will ask you for the years for which earnings are projected backward or forward, and for the type of projection.

The backward projection option is automatically deselected and the forward projection option is automatically selected in a Social Security Statement case; earnings are projected after the current year at a constant level.

### **Totalization benefit (Worker Info form)**

Check the radio button if you are requesting a totalization benefit. However, be aware that even if you are not eligible for totalization benefits, the program will calculate a hypothetical benefit which is generally greater than the non-totalization benefit which would actually be payable. Therefore, do not select the totalization button if you are not eligible for totalization.

If you check this button, you must enter annual earnings and quarters of coverage, beginning with the first year of earnings (even if before 1950). The figures must be accurate to produce an accurate totalization benefit.

### **No regular Social Security earnings (Worker Info form)**

Most earnings used to compute a Social Security benefit are "regular" earnings; that is, employer/employee (FICA) or self-employment (SECA) taxes were paid on them. However, there are two other types of earnings or credits which may be added to regular earnings to compute a benefit: 1) railroad earnings, and 2) military service wage credits.

It is also possible that a worker would have no regular earnings, and would have only railroad earnings and/or military service wage credits. In that case, check this box. Note that if you check this box, you must also check one of the next two boxes: railroad earnings and military service.

### **Railroad earnings (Worker Info form)**

The Railroad Retirement system developed out of the private pension systems established by the various railroads. It set up a system of benefits (annuities) for railroad employees and their dependents and survivors. Railroad employees and their employers do not pay Social Security taxes on their railroad earnings, but the railroad retirement system has been coordinated with the Social Security system to provide a total system of retirement, auxiliary, survivor, and disability benefits payable on the basis of an individual's work in the railroad industry and in employment and self-employment covered by Social Security.

Railroad compensation can be used as covered earnings when computing a Social Security benefit if the worker had less than 10 years of railroad service. If railroad earnings are applicable, check this box. Enter the first and last years of railroad earnings in the boxes provided. The annual earnings form will then have an entry for railroad earnings for each year in the period specified.

### **Periods of military service (Worker Info form)**

Military service wage credits are given to certain people with military earnings. Check this box if there are any applicable periods of military service. Enter the number of distinct periods of military service (up to 15) in the box provided.

### **Medicare-only earnings (Worker Info form)**

There are two types of cases where a worker may pay Medicare taxes on earnings on which Social Security taxes are not paid: 1) since 1983, some categories of employees (such as some Federal, State, and local government employees) have been covered by Medicare and not by Social Security, and 2) since 1991, the maximum earnings taxed for Medicare have been higher than the maximum taxed for Social Security. Workers earning more than the Social Security maximum paid Medicare tax only on earnings above the Social Security maximum, up to the Medicare maximum (through 1993), or on all earnings (since 1994).

Earnings taxed by Medicare and not by Social Security do not affect the Social Security benefit calculation. However, if you wish to calculate Social Security and Medicare taxes accurately, you should enter any earnings taxed by Medicare only.

Check the radio button for the first type of worker, in which case you will be able to enter the Medicare earnings in the Annual Earnings Info form. You do not need to check the button for the second type of worker, since you can enter the full amount of earnings, including earnings above the Social Security base, in the Annual Earnings Info form. If you prefer, you can check the button for the second type of worker, enter earnings up to the Social Security wage base as Social Security earnings, and enter the excess earnings above the Social Security base as Medicare earnings.

### **Blindness indicator (Worker Info form)**

A statutorily blind worker does not need to meet the "20/40" or "special insured status" test in order to be insured for disability benefits. The worker does need to be fully insured in the quarter he/she becomes disabled, or at some time thereafter.

### **Deemed insured status (Worker Info form)**

Certain employees of nonprofit employers which were extended coverage effective January 1, 1984 because of the 1983 amendments can be deemed to be fully insured with fewer quarters of coverage than are ordinarily required, if they are earned after 1983. The number of quarters of coverage required is shown in the following table:

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<b>Worker Who, on January 1, 1984 is:</b>	<b>The Number of Quarters of Coverage Required is:</b>
Age 60 or over (born on or before January 2, 1924)	6
Age 59 or over but less than age 60 (born January 3, 1924 through January 2, 1925)	8
Age 58 or over but less than age 59 (born January 3, 1925 through January 2, 1926)	12
Age 57 or over but less than age 58 (born January 3, 1926 through January 2, 1927)	16
Age 55 or over but less than age 57 (born January 3, 1927 through January 2, 1929)	20

### **Sex of worker (Worker Info form)**

Choose Female or Male for the sex of the worker. The sex of the worker does not matter for current and future retirees, but it does matter for some historical cases.

### **Type of benefit (Worker Info form)**

Choose one of the following:

- Old-age: Old-age benefit (for a fully insured worker beginning at about age 62 or later).
- Survivor: For a survivor of a deceased fully insured worker.
- Disability: For a disabled disability insured worker under full retirement age.
- Social Security Statement: Social Security Statement (includes old-age, survivor and disability estimates).

For more information about the types of benefits available under Social Security, see the OASDI Digest.

### **Old-age benefit (Worker Info form)**

To be entitled to old-age benefits, a claimant must be fully insured, have attained age 62, and have filed an application for benefits. An application is not required if the claimant is entitled to disability insurance benefits for the month before the month in which he or she reaches full retirement age.

### **Disability benefit (Worker Info form)**

To be entitled to disability insurance benefits, a claimant must meet the disability insured status tests, have filed an application, and be disabled. Disability insurance benefits are payable only after a waiting period of 5 full calendar months of disability. However, if an individual was previously entitled to a disability insurance benefit within the 5 years before the month his/her current disability began, no waiting period is required.

### **Survivor benefit (Worker Info form)**

Types of survivor benefits:

- Child: Child beneficiary.
- Mother or Father: Parent of a child beneficiary.
- Disabled widow(er): Disabled widow(er) (aged 50-59).
- Divorced disabled widow(er): Divorced disabled widow(er) (aged 50-59).
- Aged widow(er): Aged widow(er) (aged 60 or over).
- Divorced aged widow(er): Divorced aged widow(er) (aged 60 or over).

## **Social Security Statement (Worker Info form)**

If you choose Social Security Statement, the data that you will enter will have to meet the specifications required by the Statement, as described in the help for each item in the Statement Info form. The output will consist of all the benefit estimates (old-age, survivor, and disability) shown on an official Social Security Statement.

For more information about the Social Security Statement, see [Obtaining a Social Security Statement](#).

## **Number of family members (Worker Info form)**

The possible entries in this field depend on your choice of type of benefit:

- If you choose old-age or disability as the type of benefit, you can calculate benefits for family members (spouse and/or children), in addition to the worker's benefit. Enter the number of family members other than the worker. Possible values are 0 to 15.
- If you choose survivor as the type of benefit, you must calculate one or more benefits for family members (surviving spouse, surviving disabled spouse, and/or children), since there is no primary benefit. Enter the number of surviving family members. Possible values are 1 to 15.
- If you choose Social Security Statement as the type of benefit, no calculations are done for family members. Enter 0.

## **Statement Info form**

### **Statement information form**

The Statement information form is available if you specified Social Security Statement as the type of benefit in the basic worker information form. The Statement information form has the following entries:

- Planned age of retirement: When the worker plans to retire.
- First year of earnings: Worker's first year of earnings.
- Amount of monthly noncovered pension: Amount of monthly noncovered pension.
- Date of entitlement for noncovered pension: Date of entitlement for noncovered pension.
- Month of processing: Month in which this case is being or was processed.

### **Planned age of retirement (Statement Info form)**

Enter the age shown on the Social Security Statement, if you are trying to reproduce an official Social Security Statement. Otherwise, enter the age at which the worker plans to retire.

## **First year of earnings (Statement Info form)**

Enter the first year for which the worker had any earnings. This must be less than the current year. It must be no less than the year of birth, or 1937, if later. Because of a program limitation, if the year of birth is greater than 1936, then the first year of earnings must be at least 1951.

If there are any pre-1951 earnings, you can enter 1950 and enter the total pre-1951 earnings for 1950.

The last year of earnings will automatically be set to the year after the current year. This allows for two lag years of earnings, in the current year and the year prior to the current year, and one year for estimated future earnings, in the year after the current year.

## **Amount of monthly noncovered pension for Statement**

A modified benefit formula (the Windfall Elimination Provision, or WEP) generally is used to compute benefits for persons entitled to both a pension based on employment after 1956 not covered by Social Security and a Social Security retirement or disability benefit. However, the difference between the Social Security benefit computed under the modified formula and the Social Security benefit under the regular formula cannot be greater than one-half the amount of the noncovered pension for the first month of entitlement for both the pension and the Social Security benefit.

Note that when you are preparing a Social Security Statement estimate, the official Social Security Statement system does not consider the effect of a noncovered pension. Therefore, if you want to reproduce an official Social Security Statement estimate, you should enter 0 in this field. On the other hand, if you received an official Social Security Statement and you would like to see the effect of considering a noncovered pension, enter it here.

For Federal workers who elected into FERS and thus are entitled to a pension split between the CSRS and FERS retirement systems, only that part of the pension attributable to the CSRS is a noncovered pension.

For more information about the Windfall Elimination Provision, see the OASDI Digest.

## **Date of entitlement for noncovered pension for Statement**

A modified benefit formula (the Windfall Elimination Provision, or WEP) generally is used to compute benefits for persons entitled to both a pension based on employment after 1956 not covered by Social Security and a Social Security retirement or disability benefit. See Amount of monthly noncovered pension for the field to enter the amount of pension.

The WEP is effective beginning with the first month for which the worker is entitled to both the Social Security benefit and the noncovered pension. Enter the month (1-12) and year (4 digits), separated by a slash, when the worker is first entitled to the noncovered pension. This field is ignored if the amount of noncovered pension is 0.

For more information about the Windfall Elimination Provision, see the OASDI Digest.

## Month of processing (Statement Info form)

Select the month that this case was processed by the official Social Security Statement system, if you are trying to reproduce an official Social Security Statement. Otherwise, enter the current month.

This entry allows you to prepare backdated Social Security Statement estimates. You must be careful, however, if you try to prepare a Social Security Statement estimate for a previous calendar year. For instance, if this is January 2000 and you are trying to reproduce an official Social Security Statement produced in October 1999, you will first have to change the computation year to 1999.

The worker must be under age 65 as of the month of processing for a Social Security Statement to be produced. Otherwise, the program will ask that the data be re-entered.

## Supplemental Worker Info form

### Supplemental worker information

The supplemental worker information form is available if you specified old-age, survivor, or disability as the type of benefit in the basic worker information form. The supplemental worker information form has the following entries:

- Date of entitlement: Date of entitlement to benefit.
- Calculate benefit after initial entitlement: Calculate benefit after initial entitlement.
- Date of benefit: Date for which benefit is being calculated.
- First year of specified earnings: First year of specified earnings (before earnings are projected backward).
- Last year of specified earnings: Last year of specified earnings (before earnings are projected forward).
- Type of backward projection: Type of projection used to project earnings backwards.
- First year of earnings in backward projection period: Year to which earnings are projected backward.
- Backward projection percentage factor: Percentage factor used when projecting earnings backwards.
- Type of forward projection: Type of projection used to project earnings forwards.
- Last year of earnings in forward projection period: Year to which earnings are projected forward.
- Forward projection percentage factor: Percentage factor used when projecting earnings forwards.
- Amount of monthly noncovered pension: Amount of monthly noncovered pension.
- Date of entitlement for noncovered pension: Date of entitlement for noncovered pension.
- Number of periods of disability: Number of periods of disability that this worker had.

### **Date of entitlement (Supplemental Worker Info form)**

Enter the month (1-12) and year (4 digits) of initial entitlement, separated by a slash. This is the month that old-age or disability benefits started. The year of entitlement must be between 1940 and 2080, inclusive. This will also be the date of the benefit, if you specified that the benefit was to be calculated as of initial entitlement.

For old-age benefits, the month and year of entitlement cannot be before age 62 and 1 month unless the date of birth is on the first or second day of the month, in which case the initial month of entitlement can be as early as the month of the 62nd birthday.

This field is not available when calculating survivor benefits. Instead, the date of entitlement is entered for each survivor in the Family Members form.

For more information on date of entitlement, see the OASDI Digest.

### **Calculate benefit after initial entitlement (Supplemental Worker Info form)**

This box is available in an old-age or disability case, where the worker starts receiving a benefit at initial entitlement, and you might want to know the amount of the benefit at a later date. Do not check this box if you want a benefit at initial entitlement; check it for a benefit after initial entitlement. The actuarial reduction or delayed retirement credit will be calculated as of the date of initial entitlement. For example, if someone is retiring at age 62 in March 1999, and you want to estimate the benefit as of March 1999, enter a date of entitlement of March 1999 and do not check this box. If you want to know what the benefit will be in March 2002 (at age 65), after benefits have been received for 3 years, leave March 1999 as the date of entitlement, check this box, and enter March 2002 as the date of benefit. In either case, the benefit estimate will reflect 3 years of reduction. If you want to know what the benefit would be if retirement were delayed until March 2002, enter March 2002 as the date of entitlement and do not check this box. In that case, the benefit estimate will not reflect any reduction for age.

In most cases, the calculated PIA (the full benefit before reduction or increment for age) does not depend on how long the beneficiary has been receiving a benefit. In the benefit estimate program, there is only one place where the initial entitlement date affects the PIA: the DI 1-for-5 dropout year rule applies only if initial entitlement was after June 1980. In addition to the PIA, the MFB is affected by the DI maximum family benefit only if initial entitlement was after that same date.

The actual benefit payable, on the other hand, is affected by the date of initial entitlement in most cases. For example, if you want an old-age benefit at age 65, but initial entitlement was at age 62, the benefit will be affected by three years of reduction.

This box is unavailable in a survivor case. Instead, you must enter the date of benefit in this form, and the date of entitlement of each survivor in in the Family Members form.

### **Date of benefit (Supplemental Worker Info form)**

This field is available if you specified that the benefit was to be calculated at a date after initial entitlement (see Calculate benefit after initial entitlement). Enter the month (1-12) and year (4 digits) for which the benefit is to be calculated, separated by a slash. The date of the benefit must not be before the date of initial entitlement.

### **First year of specified earnings (Supplemental Worker Info form)**

If you are not projecting earnings backwards, enter the first year for which the worker had any earnings. The year must be less than 2080. It must be no less than the year of birth, or 1937, if later. Because of a program limitation, if the year of birth is greater than 1936, then the first year of earnings must be at least 1951.

If you are projecting earnings backwards, enter the first year for which you wish to enter earnings. Earnings prior to that year will be projected backwards.

If there are any pre-1951 earnings, you can usually enter 1950 and enter the total pre-1951 earnings for 1950. However, in the following two cases, you should enter the actual first year of earnings, even if less than 1950:

- the applicable old-start calculation is prior to the simplified 1967 old-start, or
- the type of earnings is Maximum, Average, or Low for any year prior to 1951.

### **Last year of specified earnings (Supplemental Worker Info form)**

If you are not projecting earnings forwards, enter the last year for which the worker had any earnings. This must be greater than or equal to the first year of specified earnings, and no more than 2080. A maximum of 80 years of earnings is allowed. You can enter a year after the entitlement date, but any earnings after the last allowable year will be ignored in the benefit computation.

If you are projecting earnings forwards, enter the last year for which you wish to enter earnings. Earnings after that year will be projected forwards.

### **Type of backward projection (Supplemental Worker Info form)**

These three radio buttons allow you to project earnings backwards. The choices are:

- no backward projection, or
- by the percentage increase in average wages for each year, plus a constant salary scale percentage, or
- by a constant percentage.

### **No backward earnings projection (Supplemental Worker Info form)**

If you do not know the actual earnings for all years, you may want to enter earnings for some years and project earnings prior to the first year entered and/or after the last year entered. The benefit calculated with projected earnings will of course be only approximate, to the extent that the projected earnings differ from the actual earnings for those years.

Check this button if you do not want to project earnings prior to the first year of entered earnings.

### **Backward projection in line with average wage increases (Supplemental Worker Info form)**

Earnings may be projected backward by one of two methods:

- by the percentage increase in average wages for each year, plus a constant salary scale percentage, or
- by a constant percentage.

Choose "In line with average wage increases" to project backward by a percentage related to the growth in average wages, or "Constant percentage increase" to project backward by a constant percentage.

Check this button if you want to project earnings prior to the first year of entered earnings in line with average wage increases. You can then specify the years for which earnings are projected backward, and the percentage to be added to the average wage increase.

### **Backward projection by a constant percentage (Supplemental Worker Info form)**

Earnings may be projected backward by one of two methods:

- by the percentage increase in average wages for each year, plus a constant salary scale percentage, or
- by a constant percentage.

Choose "In line with average wage increases" to project backward by a percentage related to the growth in average wages, or "Constant percentage increase" to project backward by a constant percentage.

Check this button if you want to project earnings prior to the first year of entered earnings by a constant percentage. You can then specify the years for which earnings are projected backward, and the constant percentage.

### **First year of earnings in backwards projection period (Supplemental Worker Info form)**

This prompt is available if you are projecting earnings backwards. Enter the first year of the backward projection period (the first year of earnings, after earnings are projected backwards). This must be less than or equal to the first year of specified earnings.

### **Backward projection percentage factor (Supplemental Worker Info form)**

This prompt is available if you are projecting earnings backwards. The meaning of the value entered at this prompt depends on the type of backward projection:

- If you chose "In line with average wage increases", this is the percentage increase to be added to the percentage increase in average wages in each year.
- If you chose "Constant percentage increase", this is the constant percentage increase used to project backwards.

### **Type of forward projection (Supplemental Worker Info form)**

These three radio buttons allow you to projecting earnings forwards. The choices are:

- no forward projection, or
- by the percentage increase in average wages for each year, plus a constant salary scale percentage, or
- by a constant percentage.

### **No forward earnings projection (Supplemental Worker Info form)**

If you do not know the actual earnings for all years, you may want to enter earnings for some years and project earnings prior to the first year entered and/or after the last year entered. The benefit calculated with projected earnings will of course be only approximate, to the extent that the projected earnings differ from the actual earnings for those years.

Check the box if you want to project earnings after the last year of entered earnings. The Supplemental Worker Info form will ask you for the years for which earnings are projected forward, and for the type of projection.

### **Forward projection in line with average wage increases (Supplemental Worker Info form)**

Earnings may be projected forward by one of two methods:

- by the percentage increase in average wages for each year, plus a constant salary scale percentage, or
- by a constant percentage.

Choose "In line with average wage increases" to project forward by a percentage related to the growth in average wages, or "Constant percentage increase" to project forward by a constant percentage.

Check this button if you want to project earnings after the last year of entered earnings in line with average wage increases. You can then specify the years for which earnings are projected forward, and the percentage to be added to the average wage increase.

### **Forward projection by a constant percentage (Supplemental Worker Info form)**

This button is available if you are projecting earnings forwards. Earnings may be projected forward by one of two methods:

- by the percentage increase in average wages for each year, plus a constant salary scale percentage, or
- by a constant percentage.

Choose "In line with average wage increases" to project forward by a percentage related to the growth in average wages, or "Constant percentage increase" to project forward by a constant percentage.

Check this button if you want to project earnings after the last year of entered earnings by a constant percentage. You can then specify the years for which earnings are projected forward, and the constant percentage.

### **Last year of earnings in forward projection period (Supplemental Worker Info form)**

This prompt is available if you are projecting earnings forwards. Enter the last year of the forward projection period (the last year of earnings, after earnings are projected forwards). This must be greater than or equal to the last year of specified earnings.

### **Forward projection percentage factor (Supplemental Worker Info form)**

This prompt is available if you are projecting earnings forwards. The meaning of the value entered at this prompt depends on the type of forward projection:

- If you chose "In line with average wage increases", this is the percentage increase to be added to the percentage increase in average wages in each year.
- If you chose "Constant percentage increase", this is the constant percentage increase used to project forwards.

### **Amount of monthly noncovered pension**

A modified benefit formula (the Windfall Elimination Provision, or WEP) generally is used to compute benefits for persons entitled to both a pension based on employment after 1956 not covered by Social Security and a Social Security retirement or disability benefit. However, the difference between the Social Security benefit computed under the modified formula and the Social Security benefit under the regular formula cannot be greater than one-half the amount of

the noncovered pension for the first month of entitlement for both the pension and the Social Security benefit.

For Federal workers who elected into FERS and thus are entitled to a pension split between the CSRS and FERS retirement systems, only that part of the pension attributable to the CSRS is a noncovered pension.

This field is not available if you are preparing a survivor benefit; survivor benefits are not affected by a noncovered pension.

For more information about the Windfall Elimination Provision, see the OASDI Digest.

### **Date of entitlement for noncovered pension (Supplemental Worker Info form)**

A modified benefit formula (the Windfall Elimination Provision, or WEP) generally is used to compute benefits for persons entitled to both a pension based on employment after 1956 not covered by Social Security and a Social Security retirement or disability benefit. See Amount of monthly noncovered pension for the field to enter the amount of pension.

The WEP is effective beginning with the first month for which the worker is entitled to both the Social Security benefit and the noncovered pension. Enter the month (1-12) and year (4 digits), separated by a slash, when the worker is first entitled to the noncovered pension. This field is ignored if the amount of noncovered pension is 0.

This field is not available if you are preparing a survivor benefit; survivor benefits are not affected by a noncovered pension.

For more information about the Windfall Elimination Provision, see the OASDI Digest.

### **Number of periods of disability (Supplemental Worker Info form)**

This program can handle up to 2 periods of disability when calculating a benefit. For an old-age or survivor case, enter 0, 1, or 2. For a disability case, there must be at least 1 period of disability (for the current benefit). Enter 1 or 2.

Prior disability is not considered in a Social Security Statement case.

## **Disability Info form**

### **Disability information**

The disability information form is available if you are requesting a disability case, or if you specified that there was a prior disability in an old-age or survivor case. The disability information form has the following entries:

Most recent period of disability:

- Date of onset: Date of onset of most recent disability.
- Date of entitlement: Date of entitlement of most recent disability.
- Date of cessation: Date of cessation of most recent disability.
- First month of waiting period: First month of waiting period of most recent disability.
- PIA at cessation: PIA at cessation of most recent disability.
- MFB at cessation: MFB at cessation of most recent disability.

Next most recent period of disability:

- Date of onset: Date of onset of next most recent disability.
- Date of entitlement: Date of entitlement of next most recent disability.
- Date of cessation: Date of cessation of next most recent disability.
- First month of waiting period: First month of waiting period of next most recent disability.
- PIA at cessation: PIA at cessation of next most recent disability.
- MFB at cessation: MFB at cessation of next most recent disability.

**Date of onset - most recent disability (Disability Info form)**

This field is available if you are requesting a disability case, or if you specified that there was a prior disability in an old-age or survivor case. Enter the month (1-12), day (1-31), and year (4 digits) of disability onset, separated by slashes. The date of onset must not be after the date of entitlement, or an error message will appear.

**Date of entitlement - most recent disability (Disability Info form)**

This field is available if you are requesting a disability case, or if you specified that there was a prior disability in an old-age or survivor case. The date of prior disability entitlement affects the applicability of the DI 1-for-5 dropout year rule, as explained under Date of benefit (Worker Info form). Enter the month (1-12) and year (4 digits) of entitlement to disability benefits, separated by a slash.

**Date of cessation - most recent disability (Disability Info form)**

This field is available if you specified that there was a prior disability in an old-age or survivor case. The date of cessation is the earliest of the following:

- the month in which the worker dies;
- the month the worker attains normal retirement age (currently age 65); or
- the third month after the month the disability ceases.

The date of cessation affects the number of years which may be excluded from the benefit computation. Enter the month (1-12) and year (4 digits) of cessation to disability benefits, separated by a slash.

**First month of waiting period - most recent disability (Disability Info form)**

This field is available if you are requesting a disability case, or if you specified that there was a prior disability in an old-age or survivor case. In general, there is a 5-month waiting period between the disability onset date and the date of entitlement to a disability benefit. The waiting period starts with the first full month of disability, which is the month after the month of onset unless onset is on the first day of the month. You do not need to have a full 5-month waiting period for this program to furnish a computation. Enter the month (1-12) and year (4 digits) of the first month of the waiting period, separated by a slash.

### **PIA at cessation - most recent disability (Disability Info form)**

This field is available if you specified that there was a prior disability in an old-age or survivor case. Enter the PIA at the date of cessation of the prior period of disability. This may become the minimum PIA for the current entitlement, based on the disability guarantee calculation.

### **MFB at cessation - most recent disability (Disability Info form)**

This field is available if you specified that there was a prior disability in an old-age or survivor case. Enter the MFB at the date of cessation of the prior period of disability. This may become the minimum MFB for the current entitlement, based on the disability guarantee calculation.

### **Date of onset - next most recent disability (Disability Info form)**

This field is available if you specified that there were two periods of disability. Enter the month (1-12), day (1-31), and year (4 digits) of next most recent disability onset, separated by slashes. This date of onset must be before the following date of onset, or an error message will appear.

### **Date of entitlement - next most recent disability (Disability Info form)**

This field is available if you specified that there were two periods of disability. The date of prior disability entitlement affects the applicability of the DI 1-for-5 dropout year rule, as explained under Date of benefit (Worker Info form). Enter the month (1-12) and year (4 digits) of entitlement to disability benefits for this disability onset, separated by a slash.

### **Date of cessation - next most recent disability (Disability Info form)**

This field is available if you specified that there were two periods of disability. The date of cessation is the third month after the month the disability ceases.

The date of cessation affects the number of years which may be excluded from the benefit computation. Enter the month (1-12) and year (4 digits) of cessation to disability benefits for this disability onset, separated by a slash.

### **First month of waiting period - next most recent disability (Disability Info form)**

This field is available if you specified that there were two periods of disability. In general, there is a 5-month waiting period between the disability onset date and the date of entitlement to a disability benefit. The waiting period starts with the first full month of disability, which is the month after the month of onset unless onset is on the first day of the month. You do not need to have a full 5 month waiting period for this program to furnish a computation. Enter the month (1-12) and year (4 digits) of the first month of the waiting period, separated by a slash.

### **PIA at cessation - next most recent disability (Disability Info form)**

This field is available if you specified that there were two periods of disability. Enter the PIA at the date of cessation of the prior period of disability. This may become the minimum PIA for the most recent disability benefit, which in turn could affect the PIA for the current entitlement, based on the disability guarantee calculation.

### **MFB at cessation - next most recent disability (Disability Info form)**

This field is available if you specified that there were two periods of disability. Enter the MFB at the date of cessation of the prior period of disability. This may become the minimum MFB for the most recent disability benefit, which in turn could affect the MFB for the current entitlement, based on the disability guarantee calculation.

## **Family Members form**

### **Family Member Information**

The family member information form has the following entries:

- Date of birth: Family member's date of birth.
- Date of entitlement: Family member's date of entitlement.
- Type of survivor: Type of survivor (child, mother/father, aged, or disabled).
- Type of life beneficiary: Type of life beneficiary (child, young spouse, or aged spouse).
- Widow(er)'s date of disability onset: Widow(er)'s date of disability onset.
- Previous Family Member: Go to previous family member.
- Next Family Member: Go to next family member.

### **Family member's date of birth (Family Member form)**

Enter the month (1-12), day (1-31), and year (4 digits) of birth, separated by slashes, of this family member.

### **Family member's date of entitlement (Family Member form)**

Enter the month (1-12) and year (4 digits) of initial entitlement, separated by a slash, for this family member. This is the month that the auxiliary or survivor benefits started for this family member. The year of entitlement must be between 1940 and 2080, inclusive.

Note that the date of benefit in the Supplemental Worker Info form must be at or after the latest date of entitlement for a family member. For instance, if a worker becomes entitled to an old-age benefit in January 2003 and the spouse becomes entitled to a spouse benefit in January 2004, you cannot estimate the spouse benefit with a date of benefit prior to January 2004. Here are some acceptable and not acceptable alternatives in this case:

- OK: A worker benefit with entitlement as of January 2003, with a benefit date of January 2003, with no family members.
- OK: A worker benefit with entitlement as of January 2003, with a benefit date of January 2004, with no family members.
- OK: A worker benefit with entitlement as of January 2003, with a benefit date of January 2004, with a spouse entitled in January 2004.
- OK: A worker benefit with entitlement as of January 2003, with a benefit date of January 2005, with a spouse entitled in January 2004.
- Not OK: A worker benefit with entitlement as of January 2003, with a benefit date of January 2003, with a spouse entitled in January 2004.

To enter a benefit date that is later than the worker's date of entitlement, click the button for Calculate benefit after initial entitlement in the Supplemental Worker Info form, then enter a date of benefit in the Date of benefit box.

### **Type of survivor (Family Members form)**

This set of buttons is available if the type of benefit is survivor. The type of survivor affects the benefit of some survivors where entitlement is 1985 or later, because starting in that year, the re-indexed widow(er) guarantee calculation applies, but only to aged or disabled widow(er) survivors. Choose one of the following:

- Child: Child beneficiary.
- Mother or Father: Parent of a child beneficiary.
- Disabled widow(er): Disabled widow(er) (aged 50-59).
- Divorced disabled widow(er): Divorced disabled widow(er) (aged 50-59).
- Aged widow(er): Aged widow(er) (aged 60 or over).
- Divorced aged widow(er): Divorced aged widow(er) (aged 60 or over).

For more information on survivor benefits, see the OASDI Digest.

### **Child survivor (Family Member form)**

To be entitled to surviving child's benefits, an individual must have filed an application for child's benefits and must be:

- the child of a worker who died fully or currently insured;
- dependent upon that worker;
- unmarried; and
- under age 18, or if age 18 or over, be 1) under a disability which began before age 22, or 2) a full-time elementary or secondary school student under age 19.

A child entitled to surviving child's benefits will be entitled to a monthly benefit effective with the first month in which all of the above requirements are met during any part of that month.

For more information on child survivor benefits, see the OASDI Digest.

### **Mother or father beneficiary (Family Member form)**

To be entitled to mother or father benefits, a claimant must:

- be the widow(er) of a worker who died fully or currently insured;
- not be married;
- have filed an application for mother's or father's insurance benefits (no application is required if the claimant was entitled to spouse's benefits for the month before the month the worker died);
- not be entitled to widow(er) insurance benefits;
- not be entitled to an old-age benefit equal to or exceeding the amount of the unadjusted mother's/father's benefit; and
- have in care a child of the deceased worker entitled to a child's insurance benefit. The child must be under age 16 or be entitled as a disabled child.

For more information on mother or father benefits, see the OASDI Digest.

### **Disabled widow(er) (Family Member form)**

To be entitled to benefits as the disabled widow(er) of a person who died fully insured, a claimant must:

- be the widow or widower of the insured;
- have attained age 50 but not age 60 and be disabled;
- be unmarried, unless the marriage occurs after age 50 and in or after the month the widow(er) became disabled;
- have been married to the insured for not less than 9 months immediately prior to the day the insured died, unless death was accidental or certain other exceptions;
- have filed an application, or be entitled to spouse or mother or father benefits in the month before entitlement to a widow or widower benefit.

For more information on disabled widow(er) benefits, see the OASDI Digest.

### **Divorced disabled widow(er) (Family Member form)**

To be entitled to benefits as the surviving divorced disabled spouse, a claimant must meet the conditions for a disabled widow(er) and:

- be finally divorced from the deceased, and
- have been married to the deceased for 10 years immediately before the date the final divorce became effective.

For more information on divorced disabled widow(er) benefits, see the OASDI Digest.

## **Aged widow(er) (Family Member form)**

To be entitled to benefits as the nondisabled widow(er) of a person who died fully insured, a claimant must:

- be the widow or widower of the insured;
- have attained age 60;
- be unmarried, unless the marriage occurs after age 60;
- have been married to the insured for not less than 9 months immediately prior to the day the insured died, unless death was accidental or certain other exceptions;
- have filed an application, or be entitled to spouse or mother or father benefits in the month before entitlement to a widow or widower benefit;
- not be entitled to an old-age benefit which exceeds the full widow(er)'s benefit.

For more information on aged widow(er) benefits, see the OASDI Digest.

## **Divorced aged widow(er) (Family Member form)**

To be entitled to benefits as the surviving divorced nondisabled spouse, a claimant must meet the conditions for a nondisabled widow(er) and:

- be finally divorced from the deceased, and
- have been married to the deceased for 10 years immediately before the date the final divorce became effective.

For more information on divorced aged widow(er) benefits, see the OASDI Digest.

## **Type of life beneficiary (Family Members form)**

This set of buttons is available if the type of benefit is old-age or disability. Choose one of the following:

- Child: Child beneficiary.
- Young wife or husband: Parent of a child beneficiary.
- Aged spouse: Aged spouse (aged 62 or over).
- Divorced aged spouse: Divorced aged spouse (aged 62 or over).

For more information on life benefits, see the OASDI Digest.

## **Child life beneficiary (Family Member form)**

To be entitled to child's benefits as the child of an old-age or disability beneficiary, an individual must have filed an application for child's benefits and must be:

- dependent upon that beneficiary;
- unmarried; and
- under age 18, or if age 18 or over, be 1) under a disability which began before age 22, or 2) a full-time elementary or secondary school student under age 19.

A child entitled to child's benefits on the record of a living worker will be entitled to a monthly benefit effective with the first month in which all of the above requirements are met throughout the entire month.

For more information on child life benefits, see the OASDI Digest.

### **Young wife or husband beneficiary (Family Member form)**

To be entitled to benefits as the wife or husband of an insured person who is entitled to old-age or disability benefits, where the claimant for the spouse benefits has in care an eligible child throughout the month of entitlement, that claimant must:

- be the spouse of the insured;
- have filed an application;
- not be entitled to an old-age or disability benefit based on a PIA that is equal to or greater than the full wife's or husband's benefit.

In addition to the requirements above, there is a duration of marriage requirement. A claimant must either:

- have been married to the worker at least one year; or
- be the natural parent, along with the worker, of a child; or
- have been entitled or potentially entitled, in the month before marriage, to certain dependent's or survivor's benefits.

For more information on young wife or husband benefits, see the OASDI Digest.

### **Aged wife or husband (Family Member form)**

To be entitled to benefits as the wife or husband of an insured person who is entitled to old-age or disability benefits, where the claimant for the spouse benefits does not have in care an eligible child throughout the month of entitlement, that claimant must:

- be the spouse of the insured;
- have attained age 62;
- have filed an application;
- not be entitled to an old-age or disability benefit based on a PIA that is equal to or greater than the full wife's or husband's benefit.

In addition to the requirements above, there is a duration of marriage requirement. A claimant must either:

- have been married to the worker at least one year; or
- be the natural parent, along with the worker, of a child; or
- have been entitled or potentially entitled, in the month before marriage, to certain dependent's or survivor's benefits.

For more information on aged wife or husband benefits, see the OASDI Digest.

## **Divorced aged wife or husband (Family Member form)**

To be entitled to benefits as the divorced wife or husband of an insured person who is entitled to old-age or disability benefits, a claimant must:

- be the divorced spouse of the insured;
- have been married to the insured for at least 10 years immediately before the divorce became final;
- have attained age 62;
- have filed an application; and
- not be entitled to an old-age or disability benefit based on a PIA that is equal to or greater than the full wife's or husband's benefit.

A divorced spouse's benefit may be paid to the former spouse of an insured worker (i.e. the worker is not yet entitled) if the claimant meets the requirements above and has been divorced from the insured person for at least two years.

For more information on divorced aged wife or husband benefits, see the OASDI Digest.

## **Widow(er)'s date of disability onset (Family Member form)**

This field is available if you are requesting a survivor case with a disabled widow(er) as the type of survivor. Enter the month (1-12), day (1-31), and year (4 digits) of disability onset, separated by slashes. The date of onset must not be after the date of entitlement, or an error message will appear.

The widow(er)'s date of onset, if applicable, affects the amount of the re-indexed widow(er) guarantee PIA, and the amount of reduction or increment applied to the PIA to produce the benefit payable.

## **Previous family member (Family Member form)**

Click on this button when the information is correct for the family member displayed and you want to go back and review information for a prior family member. If you are already viewing information for the first family member, clicking this button has no effect.

## **Next family member (Family Member form)**

Click on this button when the information is correct for the family member displayed and you want to proceed to the next family member. If you are already viewing information for the last family member, clicking this button has no effect.

## **Military Service form**

### **Military service dates**

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This form is available if you checked the Has military service check box and entered a positive figure for the number of periods of military service. Enter the beginning and ending dates of up to 15 periods of military service, in order.

Each date must be of the form "mo/year" (month and year separated by a slash), i.e. "1/1951" for January 1951. The year must be 4 digits. You must enter valid dates for all available boxes. If you find that you have fewer periods of military service than you specified in the Worker Info form, you must go back and change the figure entered there.

The earliest possible date of military service is September 1940 (9/1940) and the latest is December 2001 (12/2001) (see Military service wage credits).

## Summary QCs form

### Summary quarters of coverage information

This form is available if the worker's earnings start before 1978, when earnings records at the Social Security Administration were updated quarterly.

In 1978 and later, there are no quarterly records; quarters of coverage are simply calculated by dividing annual earnings by the amount required for a quarter of coverage, with a maximum of 4 such quarters of coverage. Before 1978, earnings had to actually be earned in a specific calendar quarter for that quarter to be a quarter of coverage. Therefore, this benefit calculator cannot determine quarters of coverage from annual earnings alone before 1978.

Usually it is sufficient to enter the total number of quarters of coverage prior to 1978 as a lump sum. For instance, simply entering the total number of pre-1978 quarters of coverage is sufficient for any old-age benefit, a survivor benefit where death occurred after 1980, or a disability benefit where disability occurred after 1987. Here are some cases where you do need to enter annual quarters of coverage prior to 1978:

- you checked the totalization button, or
- you chose survivor as the type of benefit and death occurred prior to 1981, or
- you chose disability as the type of benefit and disability occurred prior to 1988, or
- you checked the military service button, or
- you checked the railroad earnings button where such earnings occurred prior to 1978.

The summary quarters of coverage form has the following entries:

- Pre-1978 quarters of coverage: Enter as a lump-sum total
- Pre-1978 quarters of coverage: Enter annual figures
- Number of quarters of coverage, 1937-1977 inclusive
- Number of quarters of coverage, 1951-1977 inclusive

### Enter as a lump-sum total (Summary QCs form)

Check this button if you want to enter pre-1978 quarters of coverage as a lump-sum total. This is usually allowable, but see Summary quarters of coverage information for cases where you should enter annual figures.

### **Enter annual figures (Summary QCs form)**

Check this button if you want to enter annual pre-1978 quarters of coverage. It is usually sufficient to enter pre-1978 quarters of coverage as a lump-sum total, but see Summary quarters of coverage information for cases where you should enter annual figures.

### **Quarters of coverage, 1937-1977 (Summary QCs form)**

This field is available if the worker had any earnings prior to 1978, and you chose to enter the number of pre-1978 quarters of coverage as a lump-sum total. Enter the number of quarters of coverage earned in the years up to and including 1977. If unknown, estimate the number of quarters of coverage from the annual earnings. You may enter 0, in which case the program may determine that the worker does not meet fully-insured status, but will calculate a theoretical benefit even if uninsured. It is never necessary to enter a number greater than 40, since that is the maximum number of quarters needed for a retirement or survivor benefit.

In some cases, entering pre-1978 quarters of coverage simply as a lump-sum total may produce an incorrect insured status. For more details, see Summary quarters of coverage information.

### **Quarters of coverage, 1951-1977 (Summary QCs form)**

This field is available if the worker had any earnings prior to 1951 and the worker attained age 22 after 1950. This figure must be less than or equal to the figure entered for Number of quarters of coverage, 1937-1977 inclusive. It should be as accurate as possible, because otherwise one of the calculation methods may be applied incorrectly.

In some cases, entering pre-1978 quarters of coverage simply as a lump-sum total may produce an incorrect insured status. For more details, see Summary quarters of coverage information.

## **Assumptions form**

### **Assumptions**

The assumptions form has the following entries:

- Benefit increase assumptions: Choice of seven benefit increase assumption sets.
- Title of benefit increase assumptions: Title of benefit increase assumptions when figures are entered by user.
- Catch-up benefit increase assumptions: Allow or not allow projected catch-up benefit increases.
- Average wage increase assumptions: Choice of seven average wage increase assumption sets.
- Title of average wage increase assumptions: Title of average wage increase assumptions when figures are entered by user.

- Type of projected wage bases: Automatic or ad hoc projected wage bases.

### **Benefit increase assumptions (Assumptions form)**

Choose one of the seven sets of assumptions to specify what values to use for unknown future benefit increases. (For a Social Security Statement calculation, only the fifth and sixth choices are available.)

- Alternative I: Alternative I set of assumptions from the most recent Trustees Report.
- Alternative II: Alternative II set of assumptions from the most recent Trustees Report.
- Alternative III: Alternative III set of assumptions from the most recent Trustees Report.
- Alternative II-A: No benefit increases after the last known increase (formerly alternative II-A set of assumptions from the Trustees Report).
- No future increases: No benefit increases after the last known increase.
- Old PEBES assumptions: No benefit increases after the last known increase.
- Other: User-specified benefit increase for each projected year.

The stored assumptions for the first three selections are initially set to those from the latest Report of the Board of Trustees of the OASI and DI Trust Funds (Trustees Report). These assumptions vary for each year in the future for each alternative assumption, until the benefit increases reach their ultimate level in about the tenth year of projection.

Choose the fourth or fifth selection if you do not want any future benefit increases, as used in official Social Security Statement (formerly PEBES) calculations beginning in September 1993. The Social Security Statement calculation is the generally accepted method of projecting a benefit for official Social Security benefit estimates.

Choose the sixth selection to use the assumptions used in official PEBES calculations prior to September 1993.

### **Alternative I benefit increase assumptions (Assumptions form)**

The stored benefit increases for this selection are initially set to those from alternative I (low cost) in the latest Report of the Board of Trustees of the OASI and DI Trust Funds (Trustees Report). These assumptions vary for each year in the future, until the benefit increases reach their ultimate level of 1.8 percent in about the tenth year of projection.

### **Alternative II benefit increase assumptions (Assumptions form)**

The stored benefit increases for this selection are initially set to those from alternative II (intermediate) in the latest Report of the Board of Trustees of the OASI and DI Trust Funds (Trustees Report). These assumptions vary for each year in the future, until the benefit increases reach their ultimate level of 2.8 percent in about the tenth year of projection.

### **Alternative III benefit increase assumptions (Assumptions form)**

The stored benefit increases for this selection are initially set to those from alternative III (high cost) in the latest Report of the Board of Trustees of the OASI and DI Trust Funds (Trustees Report). These assumptions vary for each year in the future, until the benefit increases reach their ultimate level of 3.8 percent in about the tenth year of projection.

### **Alternative II-A benefit increase assumptions (Assumptions form)**

The stored benefit increases for this selection are initially set to zero for all years after the last known benefit increase. They were formerly set to those for alternative II-A from the Report of the Board of Trustees of the OASI and DI Trust Funds (Trustees Report). Beginning with the 1991 Report, there is no longer an alternative II-A.

### **No future benefit increases (Assumptions form)**

The stored benefit increases for this selection are initially set to zero for all years after the last known benefit increase, as used in official Social Security Statement (formerly PEBES) calculations beginning in September 1993. The Social Security Statement calculation is the generally accepted method of projecting a benefit for official Social Security benefit estimates.

### **Old PEBES benefit increase assumptions (Assumptions form)**

The stored benefit increases for this selection are initially set to zero for all years after the last known benefit increase, as used in official statements of benefits (then known as PEBES) prior to September 1993. This is the same method as used for Social Security Statement calculations in September 1993 and later. There are two Statement (or PEBES) selections to be consistent with the average wage increase assumption selections, where the method did change in September 1993.

### **Other benefit increase assumptions (Assumptions form)**

Choose this selection if you want to enter your own set of benefit increase assumptions. The values can be entered for December of each year of the next 10 years in the future, and can vary for each of those years. One value can be entered to apply to all years after the first 10.

### **Title of benefit increase assumptions (Assumptions form)**

This field is available if you chose "Other" benefit increase assumptions. The title will appear on the printed output.

### **Catch-up benefit increase assumptions (Assumptions form)**

Under the "stabilizer" provision of the Social Security law, a benefit increase may be reduced from what it otherwise would be, in conditions of low trust fund ratios. If a benefit increase is reduced, "catch-up" benefit increases may be paid in later years to beneficiaries affected by the initial benefit reduction. (None of the three Trustees Report alternatives have any catch-up benefit increases.)

The program will assume that there are no future catch-up benefit increases unless you check this box. It is available only if you choose "Other" benefit increases.

### **Average wage increase assumptions (Assumptions form)**

Choose one of the seven sets of assumptions to specify what values to use for unknown future average wage increases. (For a Social Security Statement calculation, only the fifth and sixth choices are available.) The projected PIA formula and MFB formula "bend points", and the amount required for a quarter of coverage, will automatically be projected in step with the projected average wages.

- Alternative I: Alternative I set of assumptions from the most recent Trustees Report.
- Alternative II: Alternative II set of assumptions from the most recent Trustees Report.
- Alternative III: Alternative III set of assumptions from the most recent Trustees Report.
- Alternative II-A: No average wage increases after the last known average wage (formerly alternative II-A set of assumptions from the Trustees Report).
- No future increases: No average wage increases after the last known average wage.
- Old PEBES assumptions: No average wage increases after the last known average wage.
- Other: User-specified average wage increase for each projected year.

The stored assumptions for the first three selections are initially set to those from the latest Report of the Board of Trustees of the OASI and DI Trust Funds. These assumptions vary for each year in the future for each alternative assumption, until the average wage increases reach their ultimate level in about the tenth year of projection.

Choose the fourth or fifth selection if you do not want any future average wage increases, as used in official Social Security Statement (formerly PEBES) calculations beginning in September 1993. The Social Security Statement calculation is the generally accepted method of projecting a benefit for official Social Security benefit estimates.

Choose the sixth selection to use the assumptions used in official PEBES calculations prior to September 1993.

### **Alternative I average wage increase assumptions (Assumptions form)**

The stored average wage increases for this selection are initially set to those from alternative I (low cost) in the latest Report of the Board of Trustees of the OASI and DI Trust Funds (Trustees Report). These assumptions vary for each year in the future, with the average wage increases having an average annual level of about 3.6 percent after the first ten years.

### **Alternative II average wage increase assumptions (Assumptions form)**

The stored average wage increases for this selection are initially set to those from alternative II (intermediate) in the latest Report of the Board of Trustees of the OASI and DI Trust Funds

(Trustees Report). These assumptions vary for each year in the future, with the average wage increases having an average annual level of about 4.0 percent after the first ten years.

### **Alternative III average wage increase assumptions (Assumptions form)**

The stored average wage increases for this selection are initially set to those from alternative III (high cost) in the latest Report of the Board of Trustees of the OASI and DI Trust Funds (Trustees Report). These assumptions vary for each year in the future, with the average wage increases having an average annual level of about 4.4 percent after the first ten years.

### **Alternative II-A average wage increase assumptions (Assumptions form)**

The stored average wage increases for this selection are initially set to zero for all years after the last known average wage. They were formerly set to those for alternative II-A from the Report of the Board of Trustees of the OASI and DI Trust Funds (Trustees Report). Beginning with the 1991 Report, there is no longer an alternative II-A.

### **No future average wage increases (Assumptions form)**

The stored average wage increases for this selection are initially set to zero for all years after the last known average wage, as used in official Social Security Statement (formerly PEBES) calculations beginning in September 1993. The Social Security Statement calculation is the generally accepted method of projecting a benefit for official Social Security benefit estimates.

### **Old PEBES average wage increase assumptions (Assumptions form)**

The stored average wage increases for this selection are initially set to zero for all years after the last known benefit increase, but there is a separate real-wage-gain adjustment as used in official statements of benefits (then known as PEBES) prior to September 1993.

### **Other average wage increase assumptions (Assumptions form)**

Choose this selection if you want to enter your own set of average wage increase assumptions. The values can be entered for each of the next 10 years in the future, and can vary for each of those years. One value can be entered to apply to all years after the first 10.

### **Title of average wage increase assumptions (Assumptions form)**

This field is available if you chose "Other" average wage increase assumptions. The title will appear on the printed output.

### **Trustees Report**

The Board of Trustees of the Social Security Trust Funds report each year on the current and projected financial condition of the Social Security program, which is financed through two separate trust funds. The Old-Age and Survivors Insurance (OASI) Trust Fund pays monthly benefits to retired workers (including disabled workers who have reached normal retirement age) and their families and to survivors of deceased workers. The Disability Insurance (DI) Trust Fund pays monthly benefits to disabled workers and their families. The report on the current financial status of the funds includes an accounting of the actual income and expenditures for the last year. For future years, the projections of the trust funds' financial condition reflect the Trustees' considered judgment after review of available evidence and expert opinion about all the economic and demographic factors that affect income and expenditures. Projections are presented separately for the next 10 years (the short range) and for the next 75 years (the long range).

Although, in general, a greater degree of certainty can be presumed for projections encompassing the next few years than for a period as long as the next 75 years, any estimation of the future is uncertain. Therefore, three alternative sets of economic and demographic assumptions are used to show a range of possible outcomes for all projections. The "intermediate" set of assumptions, designated as alternative II, reflects the Trustees' "best estimates" of future experience; the "low cost" alternative I is more optimistic, and the "high cost" alternative III more pessimistic for the trust funds' future financial outlook. For both the short range and the long range, however, it is important to understand that the projections in this report are only an indication of the expected trend and likely range of future trust fund experience. Also, all projections are based on the Social Security program provisions in current law and are not intended to anticipate any changes in these provisions that might be made in the future.

The 2011 Trustees Report is available at the Social Security Administration's web site at <http://www.socialsecurity.gov/OACT/TR/2011/index.html>.

A printed copy of the latest Trustees Report may be obtained by writing to:

Office of the Actuary  
Room 700 Altmeyer Bldg.  
6401 Security Blvd.  
Baltimore, MD 21235

### **PEBES calculations prior to September 1993**

The PEBES calculation for statements prior to September 1993 is described in the Programs Operations Manual System (POMS), Part 3 (Retirement and Survivors), section 00605.800, "PIA's for Benefit Estimates--The Personalized [sic] Earnings and Benefit Estimate Statement (PEBES)", revised July, 1992.

For the pre-September 1993 PEBES calculation, no benefit increases were assumed beyond the last actual one. This remains the same for the September 1993 and later Social Security Statement (formerly PEBES) calculations.

For the PEBES calculation prior to September 1993, average wages did not change beyond the last known average wage. However, the PIA and MFB were adjusted for expected future real-wage gains by applying a factor which increased the benefit by 1 percent for each year from the current year to the year of eligibility. For Social Security Statement (formerly PEBES) calculations in September 1993 and later, the 1-percent factor was dropped.

### **Type of projected wage bases (Assumptions form)**

This box containing two radio buttons is available if you are requesting a benefit estimate (other than a Social Security Statement calculation) at a date after the last known maximum earnings base. Choose "Automatic" if you want the wage base to increase in accordance with the automatic provisions of the law. The wage base increases in step with the projected average wages (with a 2-year lag), except that the wage base does not change if there is no benefit increase for that year. Choose "Ad hoc" if you want to enter your own wage bases.

If you are performing a Social Security Statement calculation, the type of projected wage bases is automatically set to "Automatic".

### **Projected Benefit Increases form**

#### **Projected benefit increases**

This form is available if you chose "Other" for the set of benefit increase assumptions. You must provide the projected benefit increase for each year in the 15-year period beginning with the year after the last known benefit increase. You must also provide an ultimate benefit increase which is assumed to be effective for each year after the specified 15-year period.

#### **Projected ultimate benefit increase (Benefit Increases form)**

Enter the ultimate benefit increase. It will apply for all years after the 15 specified years. See Projected benefit increases for more information.

### **Catch-up Increases form**

#### **Catch-up increases**

This form is available if you checked the catch-up benefit increase selection button. You are able to provide catch-up benefit increases for 8 calendar years, for 10 possible years of eligibility. Only values for one year of eligibility at a time are shown; by clicking on Previous year of eligibility or Next year of eligibility, you are able to view and change the values for each year of eligibility from the current year through the current year plus 9.

#### **Year of eligibility (Catch-up Increases form)**

The year of eligibility is the earlier of the year of attainment of age 62 or the year of disability onset, if any. In a survivor case, it is the year of death, if earlier than the year determined in the preceding sentence.

### **Previous year of eligibility (Catch-up Increases form)**

Click on this button when the information is correct for the year of eligibility displayed and you want to go back and review information for a prior year of eligibility. If you are already viewing information for the earliest year available, clicking this button has no effect.

### **Next year of eligibility (Catch-up Increases form)**

Click on this button when the information is correct for the year of eligibility displayed and you want to proceed to the next year of eligibility. If you are already viewing information for the last year available, clicking this button has no effect.

## **Projected Average Wage Increases form**

### **Projected average wage increases**

This form is available if you chose "Other" for the set of average wage increase assumptions. You must provide the projected average wage percentage increase for each year in the 16-year period beginning with the year after the last known average wage. You must also provide an ultimate average wage percentage increase which is assumed to be effective for each year after the specified 16-year period. The average wage percentage increases are applied cumulatively to the last known average wage to produce projected average wages.

### **Projected ultimate average wage increase (Average Wage Increases form)**

Enter the ultimate average wage percentage increase. It will apply for all years after the 16 specified years. See Projected average wage increases for more information.

## **Wage Bases form**

### **Wage bases form**

The wage base form is available if you selected "Ad hoc" as the type of projected wage bases in the assumptions form. The wage base form has the following entries:

- Present law wage base: Present law OASDI wage base.
- Old-law wage base: Old-law wage base.
- Previous year: Button to jump to previous year.
- Next year: Button to jump to next year.

You are able to provide present law wage bases and old-law wage bases for each year after the year of the last known wage base.

### **Wage base (Wage Bases form)**

The OASDI wage base limits the earnings on which OASDI taxes are paid and on which OASDI benefits are based. Under present law, it increases in proportion to the average wage, but is rounded to a multiple of \$300. You may enter any value for the wage base, between \$0 and \$9,999,999.

### **Old-law wage base (Wage Bases form)**

The old-law OASDI wage base is necessary in the calculation of the special-minimum PIA. It increases in the same manner as the regular wage base. You may enter any value for the old-law wage base, between \$0 and \$9,999,999.

### **Previous year (Wage Bases form)**

Click on this button when the information is correct for the year displayed and you want to go back and review information for a prior year. If you are already viewing information for the earliest year entered, clicking this button has no effect.

### **Next year (Wage Bases form)**

Click on this button when the information is correct for the year displayed and you want to proceed to the next year. If you are already viewing information for the last year entered, clicking this button has no effect.

## **Annual Earnings Info form**

### **Earnings information**

The earnings information form has the following entries:

- Year: Year for which information is being entered.
- Type of earnings: Type of earnings (entered, maximum, high, average, or low).
- Amount of earnings: Amount of earnings.
- Type of taxes: Type of taxes (employee or self-employed).
- Medicare earnings: Amount of Medicare earnings.
- Quarters of coverage: Quarters of coverage.
- Previous year: Button to jump to previous year.
- Next year: Button to jump to next year.

### **Year of earnings (Earnings Info form)**

The year displayed in this field changes as you press the "Previous Year" or "Next Year" button. You may also choose a year by scrolling down the drop-down list box. In any case, choices in the remainder of the form apply to the displayed year.

After all values are correct, you must press "Previous Year", "Next Year", or "OK" for the data to be accepted. Do not enter another year directly before pressing one of those buttons; your data will be lost.

### **Type of earnings (Earnings Info form)**

This box allows you to choose to enter the amount of earnings, or to specify one of four earnings levels stored in the program: maximum, high, average, or low. If you are performing a Social Security Statement calculation, you must enter earnings for all years; the other four choices will be unavailable.

- Entered: Enter the amount of earnings.
- Maximum Earnings: are the maximum covered in that year.
- High Earnings: are 160 percent of average.
- Average Earnings: are equal to the Social Security average wage.
- Low Earnings: are 45 percent of average.

### **Entered earnings (Earnings Info form)**

Click this button if you want to enter the amount of earnings for the specified year.

### **Amount of earnings (Earnings Info form)**

This field is available if you chose "Entered" as the type of earnings. Enter the earnings for the year shown at the top of the form. Possible values are \$0 to \$9,999,999.99. If there are any pre-1951 earnings, and you entered 1950 as the first year of earnings, enter the total pre-1951 earnings for 1950.

If you are doing a Social Security Statement calculation, enter the amount for future earnings in the space for the last year shown (the year after the computation year). The earnings will automatically be projected to the date of retirement.

Press the "Next Year" button when all entries are correct and there are more years to enter. Press the "OK" button when all years are entered.

### **Maximum earnings (Earnings Info form)**

Click this button if you want the amount of earnings for the specified year to be equal to the wage base for that year, as shown in the button text.

### **High earnings (Earnings Info form)**

Click this button if you want the amount of earnings for the specified year to be equal to 160 percent of the Social Security average wage for that year, as shown in the button text.

### **Average earnings (Earnings form)**

Click this button if you want the amount of earnings for the specified year to be equal to the Social Security average wage for that year, as shown in the button text.

### **Low earnings (Earnings Info form)**

Click this button if you want the amount of earnings for the specified year to be equal to 45 percent of the Social Security average wage for that year, as shown in the button text.

### **Type of taxes (Earnings Info form)**

This box with two radio buttons allows you to choose the type of taxes paid on the earnings for each year. Choose "Employee" for employee taxes, or "Self-employed" for self-employed taxes. If both kinds of taxes were paid in one year, choose the one with the greater amount of earnings taxed.

### **Medicare earnings (Earnings Info form)**

This field is available if you checked the button for Some years have Medicare-only earnings. Enter the amount of Medicare-only earnings. Possible values are \$0 to \$9,999,999.99.

### **Quarters of coverage (Earnings Info form)**

This field is available for years prior to 1978 if you selected Enter annual figures for pre-1978 quarters of coverage. (It is not available for years 1978 and later because quarters of coverage are calculated from annual earnings beginning in 1978.)

If this field is not available for years prior to 1978, total pre-1978 quarters of coverage should be entered in the Summary QCs form.

Possible values are 0 to 4.

### **Childcare years (Earnings Info form)**

Check this box if this is a childcare year. A childcare year is a year in which the worker was living with a child substantially throughout the year, and the child was under age 3 during at least part of the year. The child must be the child of the worker or of the worker's spouse. In addition, the childcare indicator is not considered unless there were no earnings in that year.

The childcare years are not considered in the computation of the benefit unless the worker was entitled to a disability benefit starting in July 1980 or later, and he/she had less than 3 dropout years.

## **Railroad earnings (Earnings Info form)**

This field is available if you checked the button for Has railroad earnings, and the year shown is between the years specified for railroad earnings. Enter the amount of railroad earnings. Possible values are \$0 to \$9,999,999.99.

## **Railroad quarters of coverage (Earnings Info form)**

This field is available if you checked the button for Has railroad earnings, the year shown is between the years specified for railroad earnings, and the year is less than 1978. Enter the number of railroad quarters of coverage. Possible values are 0 to 4.

## **Previous year (Earnings Info form)**

Click on this button when the information is correct for the year displayed and you want to go back and review information for a prior year. If you are already viewing information for the earliest year entered, clicking this button has no effect.

## **Next year (Earnings Info form)**

Click on this button when the information is correct for the year displayed and you want to proceed to the next year. If you are already viewing information for the last year entered, clicking this button has no effect.

## **Properties menu**

### **Properties menu commands**

The Properties menu offers the following commands:

- Computation Year: Review or update computation year (current year).
- Field Office Info: Review or update field office manager's name and title, and address.
- Historical Amounts: Review: Review historical amounts (benefit increases, average wages, wage bases).
- Historical Amounts: Modify: Modify historical amounts (benefit increases, average wages, wage bases).
- Historical Amounts: Update: Add another year of data for historical amounts (benefit increase, average wage, wage bases).
- Historical Amounts: Restore Defaults: Clear saved historical amounts from the Registry.
- Benefit Increases: Set 1: Review or update amounts in first set of stored projected benefit increases.
- Benefit Increases: Set 2: Review or update amounts in second set of stored projected benefit increases.
- Benefit Increases: Set 3: Review or update amounts in third set of stored projected benefit increases.
- Benefit Increases: Set 4: Review or update amounts in fourth set of stored projected benefit increases.
- Catch-up Increases: Set 1: Review or update amounts in first set of stored projected catch-up benefit increases.

- Catch-up Increases: Set 2: Review or update amounts in second set of stored projected catch-up benefit increases.
- Catch-up Increases: Set 3: Review or update amounts in third set of stored projected catch-up benefit increases.
- Catch-up Increases: Set 4: Review or update amounts in fourth set of stored projected catch-up benefit increases.
- Average Wage increases: Set 1: Review or update amounts in first set of stored projected average wage increases.
- Average Wage increases: Set 2: Review or update amounts in second set of stored projected average wage increases.
- Average Wage increases: Set 3: Review or update amounts in third set of stored projected average wage increases.
- Average Wage increases: Set 4: Review or update amounts in fourth set of stored projected average wage increases.

## Computation Year form

### Computation Year form

The computation year form has an entry for the computation year.

After you have updated the computation year, the new value is saved in the Registry. Press Cancel to exit from the form without saving the new value to the Registry. Press "Restore default" to remove any value previously stored in the Registry, and change the entry in the form to the current computation year (2012 in the current version of the Calculator).

### Computation year

The Social Security Benefit Calculator is distributed with the computation year set to the latest year for which data is available (currently 2012). This means that benefit increases through December 2011 and benefit formulas through 2012 are known and available to the program. Requests for benefit computations which require program amounts beyond those values will necessitate the user entering assumptions about those future amounts.

In general, you do not need to choose an earlier computation year. However, you can choose an earlier computation year if you need to reproduce a result produced in an earlier year. For instance, if you received an official Social Security Statement dated December 2011 and it is now 2012, you would have to change the computation year to 2011 in order to reproduce the Social Security Statement results.

You can update the computation year as new benefit calculation parameters become available. The new calculation parameters should be entered into the program by selecting "Historical amounts" from the Properties menu item. After the calculation parameters are entered and saved, the computation year can be updated.

## Field Office Info form

### Field office information

The field office information form has the following entries:

- Manager's name: Field office manager's name.
- Manager's title: Field office manager's title.
- Address line 1: First line of field office address.
- Address line 2: Second line of field office address.
- Address line 3: Third line of field office address.
- Address line 4: Fourth line of field office address.

This gives each Social Security Administration field office the ability to produce customized letters transmitting their Social Security Statement estimates. Users outside of the Social Security Administration can ignore this information.

After you have changed the field office information, the new values are saved in the Registry. Press Cancel to exit from the form without saving any new values to the Registry.

### **Manager's name (Field Office Info form)**

The Social Security Administration field office address, and name and title of the field office manager, is printed on the output for a Social Security Statement calculation. Users outside of the Social Security Administration can ignore this information.

Tailor the name of the field office manager to the appropriate value. This gives each Social Security Administration field office the ability to produce customized letters transmitting their Social Security Statement estimates.

### **Manager's title (Field Office Info form)**

The Social Security Administration field office address, and name and title of the field office manager, is printed on the output for a Social Security Statement calculation. Users outside of the Social Security Administration can ignore this information.

Tailor the title of the field office manager to the appropriate value. This gives each Social Security Administration field office the ability to produce customized letters transmitting their Social Security Statement estimates.

### **Address line 1 (Field Office Info form)**

The Social Security Administration field office address, and name and title of the field office manager, is printed on the output for a Social Security Statement calculation. Users outside of the Social Security Administration can ignore this information.

Tailor the field office address to the appropriate values. This gives each Social Security Administration field office the ability to produce customized letters transmitting their Social Security Statement estimates.

### **Address line 2 (Field Office Info form)**

The Social Security Administration field office address, and name and title of the field office manager, is printed on the output for a Social Security Statement calculation. Users outside of the Social Security Administration can ignore this information.

Tailor the field office address to the appropriate values. This gives each Social Security Administration field office the ability to produce customized letters transmitting their Social Security Statement estimates.

### **Address line 3 (Field Office Info form)**

The Social Security Administration field office address, and name and title of the field office manager, is printed on the output for a Social Security Statement calculation. Users outside of the Social Security Administration can ignore this information.

Tailor the field office address to the appropriate values. This gives each Social Security Administration field office the ability to produce customized letters transmitting their Social Security Statement estimates.

### **Address line 4 (Field Office Info form)**

The Social Security Administration field office address, and name and title of the field office manager, is printed on the output for a Social Security Statement calculation. Users outside of the Social Security Administration can ignore this information.

Tailor the field office address to the appropriate values. This gives each Social Security Administration field office the ability to produce customized letters transmitting their Social Security Statement estimates.

## **Historical Amounts**

### **Historical amounts: review**

The "Historical amounts - review" menu choice allows you to review the historical average wage series, benefit increases, and wage bases. Amounts for the following series will appear on the screen for one year at a time, beginning with 1979:

- the benefit increase,
- the average wage (indexing) series,
- the Social Security wage base, and
- the Social Security old-law wage base (ignoring the 1979-81 ad hoc increases).

Press "Next Year" to see each year up to the current computation year. Press "OK" when you are finished.

### **Historical amounts: modify**

The "Historical amounts - modify" menu choice allows you to modify values in the historical average wage series, benefit increases, and wage bases that have been entered via the Historical amounts - update menu item. This selection is not available if you have not entered any values via that menu item. The form has the following entries:

- Benefit increase: Benefit increase percentage for December of the prior year.
- Average wage: Average wage amount for the second preceding year.
- Social Security wage base: Social Security wage base for the specified year.
- Old-law wage base: Old-law wage base for the specified year.
- Previous year: Button to jump to previous year.
- Next year: Button to jump to next year.

After you have modified any of the four new historical amounts for any of the available years, the new values are saved in the Registry. Press Cancel to exit from the form without saving any new values to the Registry.

### **Historical amounts: update**

The "Historical amounts - update" menu choice allows you to update the historical average wage series, benefit increases, and wage bases. Values can be entered for the year after the current computation year. The form has the following entries:

- Benefit increase: Benefit increase percentage for December of the prior year.
- Average wage: Average wage amount for the second preceding year.
- Social Security wage base: Social Security wage base for the specified year.
- Old-law wage base: Old-law wage base for the specified year.

When the data becomes available, you should enter the value for each of the four series. Normally, this would be done around November 1, when the benefit increase for December and the average wage and wage base for the next year are announced.

After you have added the four new historical amounts, the new values are saved in the Registry. Press Cancel to exit from the form without saving any new values to the Registry.

### **Historical amounts: restore defaults**

The "Historical amounts - Restore Defaults" menu choice allows you to delete values in the historical average wage series, benefit increases, and wage bases that have been entered via the Historical amounts - update menu item, and/or modified via the Historical amounts - modify menu item. This selection is not available if you have not entered any values via those menu items. The form has an OK button to continue with the restoration of defaults, or a Cancel button to return without restoring the defaults.

### **Benefit increase**

The benefit increase applies to any benefit based on a year of eligibility that is the same as, or earlier than, the year of the benefit increase. It is equal to the increase in the Consumer Price

Index from the third quarter (July, August, and September) of the prior year to the third quarter of the current year, rounded to the nearest 0.1 percent.

## **Average wage**

The average wage is used for indexing an earnings record in the computation of an Average Indexed Monthly Earnings (AIME). It also is used in the determination of the benefit formula bend points and other Social Security parameters. It is based on the average of all W-2 earnings reported to the Social Security Administration.

## **Wage base**

The Social Security wage base limits the earnings on which Social Security taxes are paid and on which Social Security benefits are based. It increases in proportion to the average wage, but is rounded to a multiple of \$300. It is announced at the same time as the average wage.

## **Old-law wage base**

The old-law Social Security wage base is necessary in the calculation of the special-minimum PIA. It increases in the same manner as the regular wage base. It is announced at the same time as the average wage, although some announcements may fail to mention the old-law wage base.

## **Benefit Increases**

### **Benefit increases: set 1**

The first set of stored projected benefit increases is initially set to the alternative I (optimistic) set in the most recent Trustees Report (2011 for this version of the program). See Stored benefit increases for information on how to change the stored values.

### **Benefit increases: set 2**

The second set of stored projected benefit increases is initially set to the alternative II (intermediate) set in the most recent Trustees Report (2011 for this version of the program). See Stored benefit increases for information on how to change the stored values.

### **Benefit increases: set 3**

The third set of stored projected benefit increases is initially set to the alternative III (pessimistic) set in the most recent Trustees Report (2011 for this version of the program). See Stored benefit increases for information on how to change the stored values.

### **Benefit increases: set 4**

The fourth set of stored projected benefit increases is initially set to all zeroes. See Stored benefit increases for information on how to change the stored values.

## **Stored benefit increases**

There are four sets of stored benefit increases, with values initially set to the values used in the most recent Trustees Report (for sets 1 to 3) or zero (for set 4). The form selected by choosing one of the four submenus from Benefit Increases under the Properties menu allows you to change the stored benefit increases. There are 15 entries for the first 15 projected years and a final entry for all years after the fifteenth projected year. There is also a checkbox to allow for catch-up benefit increases to be associated with this set of benefit increases. If the box is not checked, all catch-up benefit increases will be zero for this set. There is also a box allowing for the editing of the title of this set of benefit increases.

After you have edited the benefit increases and title, the new values are saved in the Registry. Press Cancel to exit from the form without saving any new values to the Registry. Press "Restore defaults" to remove any values previously stored in the Registry, and change the entries in the form to the original values stored in the Calculator.

### **Stored benefit increase label (Stored Benefit Increases form)**

This shows which set of projected benefit increases is being presented to you. See Stored benefit increases for more information.

### **Projected ultimate benefit increase (Stored Benefit Increases form)**

Enter the ultimate benefit increase. It will apply for all years after the 15 specified years. See Stored benefit increases for more information.

### **Title of stored benefit increase assumptions (Stored Benefit Increases form)**

Enter the title for this set of benefit increase assumptions.

### **Catch-up benefit increases (Stored Benefit Increases form)**

Check this button if you want to allow catch-up benefit increases for this stored set of projected benefit increases. None of the stored sets of assumptions allow catch-up benefit increases on initial installation. See Stored benefit increases for more information.

## **Catch-up Increases**

### **Catch-up increases: set 1**

The first set of stored projected catch-up benefit increases is initially set to the alternative I (optimistic) set in the most recent Trustees Report (2011 for this version of the program); these are all zeroes. See Stored catch-up increases for information on how to change the stored values.

### **Catch-up increases: set 2**

The second set of stored projected catch-up benefit increases is initially set to the alternative II (intermediate) set in the most recent Trustees Report (2011 for this version of the program); these are all zeroes. See Stored catch-up increases for information on how to change the stored values.

### **Catch-up increases: set 3**

The third set of stored projected catch-up benefit increases is initially set to the alternative III (pessimistic) set in the most recent Trustees Report (2011 for this version of the program); these are all zeroes. See Stored catch-up increases for information on how to change the stored values.

### **Catch-up increases: set 4**

The fourth set of stored projected catch-up benefit increases is initially set to all zeroes. See Stored catch-up increases for information on how to change the stored values.

## **Stored catch-up increases**

Under the "stabilizer" provision of the Social Security law, a benefit increase may be reduced from what it otherwise would be, in conditions of low trust fund ratios. If a benefit increase is reduced, "catch-up" benefit increases may be paid in later years to beneficiaries affected by the initial benefit reduction. (None of the three Trustees Report alternatives have any catch-up benefit increases.)

There are four sets of stored catch-up benefit increases, with values initially set to zero. The form selected by choosing one of the four submenus from Catch-up Increases under the Properties menu allows you to change the stored catch-up benefit increases. You are able to provide catch-up benefit increases for 8 calendar years, for 10 possible years of eligibility. Only values for one year of eligibility at a time are shown; by clicking on Previous year of eligibility or Next year of eligibility, you are able to view and change the values for each year of eligibility from the current year through the current year plus 9.

After you have edited the catch-up benefit increases, the new values are saved in the Registry. Press Cancel to exit from the form without saving any new values to the Registry. Press "Restore defaults" to remove any values previously stored in the Registry, and change the entries in the form to zero.

### **Stored catch-up increase label (Stored Catch-up Increases form)**

This shows which set of projected catch-up increases is being presented to you. See Stored catch-up increases for more information.

### **Stored catch-up increase year of eligibility (Stored Catch-up Increases form)**

This shows which year of eligibility of projected catch-up increases is being presented to you. See Stored catch-up increases for more information.

### **Previous year of eligibility (Stored Catch-up Increases form)**

Click on this button when the information is correct for the year of eligibility displayed and you want to go back and review information for a prior year of eligibility. If you are already viewing information for the earliest year available, clicking this button has no effect.

### **Next year of eligibility (Stored Catch-up Increases form)**

Click on this button when the information is correct for the year of eligibility displayed and you want to proceed to the next year of eligibility. If you are already viewing information for the last year available, clicking this button has no effect.

## **Average Wage Increases**

### **Average wage increases: set 1**

The first set of stored projected average wage increases is initially set to the alternative I (optimistic) set in the most recent Trustees Report (2011 for this version of the program). See Stored average wage increases for information on how to change the stored values.

### **Average wage increases: set 2**

The second set of stored projected average wage increases is initially set to the alternative II (intermediate) set in the most recent Trustees Report (2011 for this version of the program). See Stored average wage increases for information on how to change the stored values.

### **Average wage increases: set 3**

The third set of stored projected average wage increases is initially set to the alternative III (pessimistic) set in the most recent Trustees Report (2011 for this version of the program). See Stored average wage increases for information on how to change the stored values.

### **Average wage increases: set 4**

The fourth set of stored projected average wage increases is initially set to all zeroes. See Stored average wage increases for information on how to change the stored values.

## **Stored average wage increases**

There are four sets of stored average wage increases, with values initially set to the values used in the most recent Trustees Report (for sets 1 to 3) or zero (for set 4). The form selected by choosing one of the four submenus from Average Wage Increases under the Properties menu allows you to change the stored average wage increases. There are 16 entries for the most recent

historical year and the first 15 projected years, and a final entry for all years after the fifteenth projected year. There is also a box allowing for the editing of the title of this set of average wage increases.

After you have edited the average wage increases and title, the new values are saved in the Registry. Press Cancel to exit from the form without saving any new values to the Registry. Press "Restore defaults" to remove any values previously stored in the Registry, and change the entries in the form to the original values stored in the Calculator.

### **Stored average wage increase label (Stored Average Wage Increases form)**

This shows which set of projected average wage increases is being presented to you. See Stored average wage increases for more information.

### **Projected ultimate average wage increase (Stored Average Wage Increases form)**

Enter the ultimate average wage percentage increase. It will apply for all years after the 16 specified years. See Stored average wage increases for more information.

### **Title of stored average wage increase assumptions (Stored average wage increases form)**

Enter the title for this set of average wage increase assumptions.

## **Help menu**

### **Help menu commands**

The Help menu offers the following commands, which provide you assistance with this application:

- Help Topics: Offers you an index to topics on which you can get help.
- About Calculator: Displays the version number of this Social Security Benefit Calculator.

### **Context Help command**



Use the Context Help command to obtain help on some portion of the Social Security Benefit Calculator. When you choose the Toolbar's Context Help button, the mouse pointer will change to an arrow and question mark. Then click somewhere in the Social Security Benefit Calculator window, such as another Toolbar button. The Help topic will be shown for the item you clicked.

## **Shortcut**

Keys:SHIFT+F1

## **Help topics command (Help menu)**

Use this command to display the opening screen of Help. From the opening screen, you can jump to step-by-step instructions for using the Social Security Benefit Calculator and various types of reference information.

Once you open Help, you can click the Contents button whenever you want to return to the opening screen.

## **About command (Help menu)**

Use this command to display the version number of your copy of the Social Security Benefit Calculator.

# Description of generated report

## General report information

The generated report from the Social Security Benefit Calculator appears in the main viewing window. What appears depends on if the current case is a Social Security Statement case or not. It also depends on whether or not the current case has been run (by choosing **File, Calculate Estimate**). For a Social Security Statement, output for a case that has been run consists of six pages, consisting of a letter with introductory material and five pages displaying identifying information, estimated taxes, benefit estimates, and explanatory material. If the case has not yet been run, output consists of only the identifying information.

If your calculation is other than a Social Security Statement case, the generated report of the Social Security Benefit Calculator for a case that has been run consists of a summary page of results for the worker, a table of earnings, a page showing insured status, a page of results for family members (if any), one or two pages of detailed results for each trial PIA calculation, and a page of estimated taxes. If the case has not yet been run, output consists of only part of the summary page of results, showing input data.

If you choose **Print** from the **File** main menu selection, you can print what currently appears in the main viewing window to any printer that has been set up under Windows or the MacOS.

## Social Security Statement

### General Statement information

The Social Security Statement output consists of six pages:

- a letter transmitting the results, including a statement of the limitations of the estimates,
- a summary of the values, other than the yearly earnings, used to calculate the estimates, and explanations of the earnings record and the calculation of taxes paid,
- a table of yearly Social Security and Medicare earnings and estimated Social Security taxes paid on those earnings,
- a display of the retirement, disability, and survivor benefit estimates,
- explanations of Social Security and Medicare credits and the retirement benefit projection, and
- explanations of the retirement, disability, and family benefits.

### Statement letter

The letter displays the field office return address (see Field office information). It also displays the worker's name and address. The body of the letter describes the Social Security Statement estimates and contains a statement of the limitations of the estimates similar to that found in the official Social Security Statement. The letter closes with the field office manager's name and title as stored on the disk.

### Statement summary

At the top of the page is a summary of the values used to calculate the estimates. It has the same identifying information as is shown on the official Social Security Statement: name, Social Security number, date of birth, earnings in the year prior to the computation year, earnings in the computation year, estimated future yearly earnings, and planned retirement age. Next is a line showing the amount of the noncovered pension used in the calculations. Note that this should say NONE in order to reproduce an official Social Security Statement estimate. There is also a line showing the processing month, since this program can produce an estimate as of a prior processing month.

Following the identifying information are two sections providing general information about your earnings record and how your taxes were estimated.

### **Statement earnings and taxes**

The next page shows a table of maximum earnings, the actual earnings of the worker, and the estimated taxes paid for each year through the last year for which earnings are posted to the earnings record. Taxes are shown for both:

- retirement, survivors, and disability insurance, and
- Medicare hospital insurance.

This table parallels a similar one in the official Social Security Statement.

### **Statement benefit estimates**

The page of benefit estimates has sections for retirement, disability, and survivors. Each estimate is based on the same basic data, but varies as to final year of earnings, assumed date of death, or assumed date of disability onset.

Retirement estimates are shown for retirement at full retirement age and at age 70. If the planned retirement age is less than the full retirement age, there is also an early retirement estimate. Earnings for the estimates at full retirement age and and 70 continue to the age of retirement. Earnings for the early retirement estimate continue to the planned retirement age. Any assumed earnings beyond the computation year are at the level shown as "Your Estimated Future Yearly Earnings".

The results are shown in today's dollars, meaning that the benefit formula bend points are not projected beyond those in the computation year and no future benefit increases are applied. However, for official calculations prior to September 1993, a real-wage-gain factor was applied in cases where the year of eligibility was after the computation year (see Average wage increase assumptions). This program can produce results with or without the real-wage-gain factor.

Disability estimates are shown as the amount for the worker alone, and as the maximum for the family of the disabled worker. Both estimates assume that disability occurs in the processing month.

Survivor estimates are shown for three possible family members:

- one child,
- a surviving spouse caring for a child, or
- a surviving spouse at full retirement age.

There is also an estimate of the most that could be paid (the MFB) if more family members qualify for benefits. Finally, there is an estimate of the one-time death benefit. All survivor estimates assume that death occurs in the processing month.

## **Statement credits**

The next page provides general information about Social Security credits (see quarters of coverage) and how your benefit was estimated.

## **Statement information**

The next page provides general information about retirement ages, the requirements for disability benefits, and the requirements for family benefits.

## **Other than Social Security Statement**

## **Pages in a non-Statement report**

The pages that appear in a report generated for a case other than a Social Security Statement vary depending on the characteristics of the case. The possible report pages are listed below:

- a summary of results,
- a table of earnings,
- a summary of insured status,
- results for family members,
- results for the old-start method,
- results for the new-start method,
- results for the wage-indexed formula,
- results for the transitional guarantee,
- results for the special minimum,
- results for the re-indexed widow(er) guarantee,
- results for the frozen minimum,
- results for the disability guarantee,
- results for the childcare dropout year method, and
- a table of taxes paid.

## **Summary of results**

This page presents the name, Social Security number, sex, and date of birth of the worker, the type of benefit, and the date of death or disability (if any). If this is an old-age or disability case, there is also the date of entitlement of the worker, the age at entitlement, the date of benefit, age

of the worker at benefit date (if the benefit date is after entitlement date), and the full and early retirement ages of the worker. Also shown is the noncovered monthly pension (if any).

If the case has been run, the PIA and MFB are shown for each of the eight computation methods that is applicable. A final summary shows the actual PIA (the highest from all of the applicable methods), along with its corresponding Average Indexed Monthly Earnings (AIME) or Average Monthly Earnings (AME), and the MFB.

If this is a life case (old-age or disability), there is also shown the early or delayed retirement factor, the calculated benefit after application of that factor, and the benefit after rounding down to the next lower dollar (if applicable). If the PIA involved a projection, the titles of the benefit increase and average wage increase assumptions are shown at the bottom of the page. If the worker does not have the appropriate insured status for the requested benefit, a paragraph is added explaining that the calculated benefit is theoretical.

### **Table of earnings**

This page lists the annual earnings used in the PIA computations, the wage base in each year, the amount required for a quarter of coverage, and the number of quarters of coverage earned each year. The amount required for a quarter of coverage for years after 1978 equals the amount in 1978 (\$250), multiplied by the ratio of average annual earnings in the second year prior to the given year to average annual earnings in 1976. For this page and any following detail pages, there is a one-line warning message if the worker does not have the appropriate insured status.

If this is a totalization benefit, there are two additional columns showing the relative earnings position and attributed earnings. These amounts are used to compute a theoretical PIA based on a full lifetime of earnings. The totalization benefit is based on a pro-rata share of the theoretical PIA.

### **Insured status**

This page shows the number of quarters of coverage required for fully insured status, the number actually earned, and the resulting insured status. The number of quarters of coverage required for fully insured status equals the number of years after the year of attainment of age 21 (or 1950, if later) and before the year of eligibility (age 62 for old-age cases). If there were any periods of disability, the number of quarters of coverage required is reduced, but not below a minimum of 6 quarters.

If you specified a totalization benefit, the worker must have at least 6 quarters, but be uninsured for regular benefits. The insured status printed on this page will reflect those requirements.

If this is a disability case, there are additional lines showing the number of quarters required for disability insured status, the period over which they had to have been earned, the number actually earned, and the resulting disability insured status. (Fully insured status is also required for a disability case.)

If this is a survivor case with a young survivor, there are additional lines showing the number of quarters required for currently insured status, the number actually earned, and the resulting currently insured status. (Fully insured status is not required if currently insured status is met in a young survivor case.)

For more information on insured status requirements, see the OASDI Digest.

## **Family members**

This page presents the results for each family member, if any. For each family member, there is a description of the type of beneficiary, the date of birth, the date of entitlement, the date of benefit (if later than the date of entitlement), the benefit factor, the full benefit (unreduced for MFB or reduction for age), the benefit after application of MFB, the number of months of reduction for age, the age reduction factor, the benefit after reduction for age, and the benefit after rounding. If this beneficiary is an aged spouse or widow(er), there is also the full retirement age.

For more information on the types of family benefits available, see the OASDI Digest.

## **Old-start method**

The old-start method is actually a group of various methods, only one of which could apply in any given case. One of the old-start methods applies if the worker has earnings prior to 1951, with the following exception: if the worker attains age 22 after 1950 and has 6 or more quarters of coverage after 1950, the old-start method does not apply.

## **Earnings**

The first page shows actual earnings, imputed earnings, and the highest earnings. Earnings prior to 1951 are redistributed in the imputed earnings column, if the applicable method is the 1967, 1977, or 1990 simplified old-start method. (For earlier old-start methods, actual yearly earnings prior to 1951 must be used.) The imputed earnings column also shows that, for persons eligible in 1979 or later, earnings in the year of eligibility and later are not considered. The column of highest earnings shows those years selected for the AME.

## **Calculation**

The second page shows the derivation of the primary insurance benefit (PIB), PIA, and MFB from the years of highest earnings. Since the old-start method first became "old-start" in 1950, it has been modified about 6 times. The applicable method is the particular modification applicable to the case illustrated. The AME is the total of the highest earnings for the number of years equal to the number of old-start computation years, divided by the number of old-start computation years and by 12. The PIB is calculated from a formula which depends on the particular old-start method. The corresponding new-start AME is found from a conversion table, as is the PIA, before application of any benefit increases.

Prior to the 1977 amendments, the MFB is also found from a conversion table. Under the 1977 (and 1990) amendments, the MFB is calculated as under the wage-indexed method: an MFB at eligibility is calculated by applying a formula to the PIA at eligibility.

Under the 1977 amendments, where eligibility is in 1979 or later, benefit increases are applied beginning with the year of eligibility and continuing through the month of benefit.

For more information on the old-start method, see the OASDI Digest.

## **New-start method**

This method applies if the worker was eligible in 1978 or earlier.

### **Earnings**

The first page shows the selection of earnings used in the AME calculation. All earnings after 1950 and before the year of old-age or disability entitlement are available for selection in the AME, with the following exception: For disability cases, only the usual disability freeze calculation is considered, so earnings after the year of disability onset and before the year of assumed or actual attainment of full retirement age are not considered. For survivor cases, earnings in the year of death are available for selection, even if the benefit date is in that same year.

### **Calculation**

The second page shows the derivation of the PIA and MFB from the highest years of earnings. The number of computation years equals the number of elapsed years minus the number of dropout years. The AME equals the total of the highest earnings for the number of years equal to the number of computation years, divided by the number of computation years and by 12.

For entitlements prior to June 1975, the PIA and MFB at benefit date are found directly in the applicable PIA table. Beginning in June 1975, the program starts with the 1973 PIA table and applies benefit increases and wage base extensions up to the year of benefit. The PIA and MFB at benefit date are then found in the newly calculated PIA table.

For more information on the new-start method, see the OASDI Digest.

## **Wage-indexed formula**

This method applies if the worker is eligible in 1979 or later.

### **Earnings**

The first page shows the indexation of earnings as a two-step process. First, actual earnings, limited to the wage base, are multiplied by average annual earnings from 2 years prior to the year of eligibility (for all years prior to and including the second year prior to the year of eligibility).

Second, each resulting product is divided by average annual earnings in the year of actual earnings. The last column shows the selection of the computation years (the years with the highest indexed earnings).

## Calculation

The second page shows the derivation of the PIA and MFB from the indexed earnings. The base year for indexing is two years prior to the year of eligibility. The number of computation years equals the number of elapsed years minus the number of dropout years. The AIME equals the total of the highest indexed earnings for the number of years equal to the number of computation years, divided by the number of computation years and by 12. The PIA formula bend points equal the bend points applicable to workers becoming eligible in 1979 (\$180 and \$1085), multiplied by the ratio of average annual earnings in the second year prior to the year of eligibility to average annual earnings in 1977. The result is rounded to the nearest dollar. The MFB formula bend points are found similarly, starting from the 1979 bend points of \$230, \$332, and \$433.

The PIA at eligibility is the sum of a three-part formula:

- 90% of AIME up to and including the first bend point, plus
- 32% of AIME from the first bend point to the second bend point, plus
- 15% of AIME in excess of the second bend point.

The result is rounded up (for eligibility in 1981 or earlier) or down (for eligibility in 1982 or later) to a multiple of a dime.

If the worker has a noncovered pension, and is eligible in 1986 or later, the PIA at eligibility is recomputed to take account of the windfall elimination provision. The PIA at eligibility under this provision is computed as above, except that the 90% factor is replaced with a 40% factor. There are three exceptions to this rule:

- If the worker is eligible prior to 1990, the replacement factor is greater than 40% (80% for 1986 eligibles, 70% for 1987, 60% for 1988, and 50% for 1989).
- If the worker has more than 25 years of coverage for entitlements in 1986-88, or more than 20 years of coverage for entitlements after 1988, the replacement factor is greater than 40%. During 1986-88, the replacement factor is 50% for 26 years of coverage, 60% for 27 years, 70% for 28 years, 80% for 29 years, and 90% for 30 or more years. After 1988, the replacement factor is 45% for 21 years, 50% for 22 years, 55% for 23 years, 60% for 24 years, 65% for 25 years, 70% for 26 years, 75% for 27 years, 80% for 28 years, 85% for 29 years, and 90% for 30 or more years. Years of coverage for this purpose are the same as those for the special minimum method, for years through 1990. After 1990, earnings are compared to one-quarter of the old-law wage base (rather than 15 percent of the old-law wage base, as for the special minimum method).
- The reduction in PIA due to this provision can be no more than one-half of the noncovered pension. If more than one exception applies, the one that produces the least reduction in benefit is applied.

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For old-age and survivor benefits, the MFB at eligibility is normally the sum of a four-part formula:

- 150% of PIA up to and including the first bend point, plus
- 272% of PIA from the first bend point to the second bend point, plus
- 134% of PIA from the second bend point to the third bend point, plus
- 175% of PIA in excess of the third bend point.

The result is rounded up or down to a multiple of a dime (as for the PIA at eligibility).

For disability benefits where entitlement began after June 1980, the MFB at eligibility is the smaller of:

- 85% of the AIME, but not less than the basic PIA or the old-start guarantee PIA, or
- 150% of the worker's basic PIA or old-start guarantee PIA.

In the case of a projected benefit using the old PEBES calculation method (which was used in official PEBES estimates prior to September 1993), there is an adjustment to the PIA at eligibility to reflect expected future real-wage gains. This is not part of the regular benefit-computation procedure; the benefit is increased by 1 percent for each year from the current year to the year of eligibility as an attempt to produce a benefit in today's dollars that takes account of higher future real-wage levels.

Automatic benefit increases are applied, beginning with the one in the year of eligibility and continuing through the month of benefit. After each increase in PIA and MFB, the result is rounded up (for the June 1981 increase or earlier) or down (for the June 1982 increase or later) to a multiple of a dime.

For more information on the wage-indexed formula, see the OASDI Digest.

### **Transitional guarantee**

This method applies for the calculation of an old-age benefit if the worker attains age 62 in 1979 to 1983, inclusive, and was not continuously disabled from prior to 1979. It also applies for survivor cases, if the worker attained age 62 in that same 5-year period and survived at least to the month of attainment of age 62.

### **Earnings**

The first page shows the selection of earnings used in the AME calculation. The same rules are followed as for the New-Start calculation (pre-1977 law), except that earnings in the year of attainment of age 62 and later cannot be used in the average.

### **Calculation**

The second page shows the derivation of the PIA and MFB from the highest years of earnings. The number of computation years equals the number of elapsed years minus the number of dropout years. The AME equals the total of the highest earnings for the number of years equal to the number of computation years, divided by the number of computation years and by 12. The PIA as of the year of eligibility is found from the December 1978 PIA table (even if the year of eligibility is later than 1979). The MFB formula bend points are the ones applicable to the worker's year of eligibility, and the MFB at eligibility is found as in the wage-indexed method.

Automatic benefit increases are applied, beginning with the one in the year of eligibility and continuing through the month of benefit. After each increase in PIA and MFB, the result is rounded up (for the June 1981 increase or earlier) or down (for the June 1982 increase or later) to a multiple of a dime.

For more information on the transitional guarantee, see the OASDI Digest.

## **Special minimum**

This method applies for benefits in 1973 or later.

## **Earnings**

The first page shows the calculation of the number of years of coverage for special minimum purposes. Earnings in each year after 1950 and before 1979 are compared to one-quarter of the wage base for that year. Earnings after 1978 and before 1991 are compared to one-quarter of what the wage base would have been for that year had there not been ad hoc changes in the wage base in 1979-81 (the old-law base). Earnings after 1990 are compared to 15 percent of the old-law wage base. Each year for which earnings are at least equal to the required amount counts as a year of coverage. In addition, earnings prior to 1951 contribute toward years of coverage, on the basis of 1 year of coverage for each \$900 of cumulative earnings, up to a maximum of 14 years of coverage for pre-1951 earnings.

## **Calculation**

The second page shows the derivation of the PIA and MFB from the number of years of coverage. The amount of PIA per year of coverage equals \$11.50 for benefits in 1979 or later, before application of any automatic benefit increases. For months prior to 1979, the amount per year of coverage was \$8.50 (prior to March 1974) or \$9.00 (from March 1974 through December 1978). To compute the PIA, the amount per year is multiplied by the number of years greater than 10 but less than or equal to 30 (producing a maximum of 20 countable years). The MFB, before application of any automatic benefit increases, is 150% of the PIA.

For benefits in June 1979 or later, automatic benefit increases are applied beginning with the one for June 1979 and continuing through the month of benefit. After each increase in PIA and MFB, the result is rounded up (for the June 1981 increase or earlier) or down (for the June 1982 increase or later) to a multiple of a dime.

For more information on the special minimum, see the OASDI Digest.

## **Re-indexed widow(er) guarantee**

This method applies in survivor cases where there is an aged or disabled widow(er) and the worker dies in 1979 or later and before attaining age 62. In addition, if the worker dies before 1985, the widow(er) must be eligible in 1985 or later. The calculation is identical to the normal wage-indexed method, except that the year of eligibility is taken as the earlier of:

- the worker's year of attainment of age 62, or
- the widow(er)'s year of eligibility.

For aged widow(er)s, the year of eligibility is the year of attainment of age 60; for disabled widow(er)s, it is the later of the year of attainment of age 50 or the year of the first month after the disability waiting period.

## **Earnings**

The first page shows the indexation of earnings.

## **Calculation**

The second page shows the derivation of the PIA and MFB from the indexed earnings. The format follows that of the second page of the wage-indexed formula output, except for the determination of the MFB. There is no separate MFB for the re-indexed widow(er) guarantee PIA, since the PIA applies only to the widow(er). If there are any other beneficiaries on the earnings record, the regular MFB (determined under one of the other methods) applies.

For more information on the re-indexed widow(er) guarantee, see the OASDI Digest.

## **Frozen minimum**

This method applies if the worker is eligible in 1979-81. However, it does not apply for a totalization benefit.

## **Calculation**

The PIA at eligibility is \$122, and the MFB at eligibility is \$183. Benefit increases are applied beginning with the earlier of the year of entitlement or the year of attainment of age 65, and continue through the month of benefit.

For more information on the frozen minimum, see the OASDI Digest.

## **Disability guarantee**

This method applies if the worker is eligible in 1979 or later, and this is a disability case with more than one period of disability, or if this is an old-age or survivor case with a prior period of disability.

## **Calculation**

The PIA at entitlement to the current benefit is equal to the PIA at cessation of the prior period of disability. In addition, if the cessation was within 12 months of the current entitlement, any intervening cost-of-living adjustments are applied to the prior PIA.

For a disability benefit, or any benefit prior to January 1996, the MFB is simply the one at the date of cessation of the prior disability benefit. For old-age or survivors in 1996 or later, if the prior MFB was based on the disability maximum, the PIA at cessation must be deconverted back to the year of eligibility (by dividing out any cost-of-living adjustments), then that is used to compute a raw MFB, and that is converted forward (by applying cost-of-living adjustments) to the cessation date.

For more information on the disability guarantee or the disability maximum, see the OASDI Digest.

## **Childcare dropout year method**

This method is a specialization of the wage-indexed formula method, and so applies if the worker is eligible in 1979 or later. In addition, it only applies in a disability case where entitlement was in June 1980 or later, or in an old-age case where there was a prior entitlement to a disability benefit, and that prior entitlement was in June 1980 or later and lasted to age 61. There must also be at least one childcare year.

## **Earnings**

The first page shows the indexation of earnings in a manner identical to that for the wage-indexed formula method.

## **Calculation**

The second page shows the derivation of the PIA and MFB from the indexed earnings. The results are similar or identical to the results for the wage-indexed method. The only difference is that there may be childcare dropout years which are in addition to the normal number of dropout years.

For more information on the childcare dropout year method, see the OASDI Digest.

## **Taxes paid**

The final page shows Social Security earnings, and taxes paid in each year for old-age and survivors insurance (OASI), disability insurance (DI), OASI and DI combined (OASDI),

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Medicare (HI), and OASI, DI, and HI combined (OASDHI). The appropriate employee or self-employed OASI or DI tax rate is applied to the Social Security earnings, and the Medicare rate is applied to the Medicare earnings (not shown) for each year. Note that the estimated taxes will be incorrect for years where there were both employee and self-employed earnings, or where earnings were estimated.

## Sample cases

### Sample cases

The data for the sample cases is stored in files named sample\*.pia, where "\*" equals the number of the case. The results shown for each case were obtained with the computation year set to 2012.

### Sample case 1

Shows effect of assumed future inflation on the benefit. Compare to sample case 2, where there is no future inflation.

### Description

- Male old-age benefit, January 2015
- born January 15, 1949
- retired at age 66 (full retirement age)
- maximum earnings 1970-2014
- alternative II assumptions

### Result

- PIA = \$2,683.50
- MBA = \$2,683.00

### Sample case 2

Shows effect of no assumed future inflation on the benefit. Compare to sample case 1, where there is assumed future inflation.

### Description

- Male old-age benefit, January 2015
- born January 15, 1949
- retired at age 66 (full retirement age)
- maximum earnings 1970-2014
- no benefit increases after December 2011
- no average wage change after 2010

### Result

- PIA = \$2,533.60
- MBA = \$2,533.00

### Sample case 3

Shows special minimum PIA.

## Description

- Male old-age benefit, June 1982
- born January 2, 1920
- retired at age 62 and 5 months
- low earnings 1945-82

## Result

- PIA = \$345.10
- MBA = \$285.00

## Sample case 4

Shows old PEBES assumptions, entered earnings, non-covered pension offset, retirement at exact age 62. Compare to sample case 27, where the non-covered pension entitlement date is after the Social Security benefit entitlement date.

## Description

- Male old-age benefit, September 2017
- born September 2, 1955
- retired at exact age 62
- earnings of \$2000 in 1976-85, \$4000 in 1986-95, \$6000 in 1996-2005, \$8000 in 2006-15
- old PEBES assumptions
- monthly non-covered pension of \$400 starting September 2017

## Result

- PIA = \$418.40
- MBA = \$310.00

## Sample case 5

Shows survivor calculation, re-indexed widow(er) guarantee PIA, old PEBES assumptions.

## Description

- Aged widow benefit, October 2014
- worker born September 10, 1955
- died September 2007
- widow born September 10, 1954
- widow benefit started at age 60 and 1 month
- earnings of \$1000 in 1976-80, \$2000 in 1981-90, \$3000 in 1991-2000, \$4000 in 2001-07
- old PEBES assumptions

## Result

- regular PIA = \$368.10
- re-indexed widow(er) guarantee PIA = \$376.30
- MBA = \$270.00

## Sample case 6

Shows full retirement age 67, previous disability onset, disability 1-for-5 dropout rule carried into retirement.

## Description

- Male old-age benefit, January 2037
- born January 5, 1970 (retired at age 67)
- earnings 1986-95: \$2412, \$2412, \$7132, \$15,050, \$16,125, \$17,200, \$18,275, \$19,350, \$19,350, \$20,425
- previous disability onset December 15, 1995
- previous disability entitlement June 1996
- previous disability cessation December 2036
- no benefit increases after December 2011
- no average wage change after 2010

## Result

- PIA = \$1,176.10
- MBA = \$1,176.00

## Sample case 7

Shows special minimum PIA.

## Description

- Male disability benefit, January 1978
- born January 15, 1918 (retired at age 60)
- earnings of \$1000 in 1941-54, \$1560 in 1955-65, \$2000 in 1966-72
- disability onset June 15, 1977
- first month of waiting period July 1977

## Result

- PIA = \$180.00
- MBA = \$180.00

## Sample case 8

Shows retirement age 67, benefit greater than \$10,000.

## Description

- Male old-age benefit, January 2049
- born January 15, 1982 (retired at age 67)
- maximum earnings 2004-2048
- alternative II assumptions

## Result

- PIA = \$10,314.40
- MBA = \$10,314.00

## Sample case 9

Shows re-indexed widow(er) guarantee PIA for disabled widow.

## Description

- Disabled widow benefit, October 2014
- worker born September 10, 1955
- died September 2005
- widow born September 10, 1959
- widow disabled April 10, 2014
- disabled widow benefit started at age 55 and 1 month
- earnings of \$1000 in 1976-80, \$2000 in 1981-90, \$3000 in 1991-2000, \$4,000 in 2001-05
- old PEBES assumptions

## Result

- regular PIA = \$369.70
- re-indexed widow(er) guarantee PIA = \$380.90
- MBA = \$272.00

## Sample case 10

Shows user-selected assumptions, totalization benefit.

## Description

- Male old-age benefit, February 2022
- born January 29, 1960 (retired at age 62 and 1 month)
- maximum earnings 1994-2000
- user-specified benefit increases after December 2011
- user-specified average wage increases after 2010
- totalization benefit

## Result

- PIA = \$926.00
- MBA = \$652.00

## Sample case 11

Shows 1950 old-start PIA, annual earnings before 1951.

### Description

- Male old-age benefit, January 1952
- born January 15, 1887 (retired at age 65)
- maximum earnings 1937-51

### Result

- PIA = \$68.50
- MBA = \$68.50

## Sample case 12

Shows use of earnings after disability freeze ends at full retirement age, benefit after entitlement.

### Description

- Male old-age benefit, January 1989
- born March 22, 1922
- retired at age 65 in March 1987
- benefit at age 66 and 10 months
- maximum earnings 1945-54, 1987-88
- previous disability onset April 1, 1954
- previous disability entitlement January 1960
- previous disability cessation March 1987

### Result

- PIA = \$1,621.70
- MBA = \$1,621.00

## Sample case 13

Shows 1990 old-start PIA, summed earnings before 1951.

### Description

- Aged widow benefit, June 1992
- worker born August 23, 1927
- died March 1954
- widow born January 5, 1929

## User's Guide for Social Security Benefit Calculator

- earnings 1950-54: \$8,479.71, \$2,038.64, \$2,136.27, \$1,920.00, \$418.20

### Result

- PIA = \$484.60
- MBA = \$440.00

### Sample case 14

Shows Social Security Statement calculation using old PEBES assumptions. Compare to sample case 15, where current Social Security Statement assumptions are used.

### Description

- Social Security Statement calculation, June 2012
- born January 15, 1955
- planned retirement age 62
- maximum earnings 1976-2012
- maximum projected earnings
- old PEBES assumptions

### Result

- old-age 62 = \$1,969
- old-age 66 = \$2,661
- old-age 70 = \$3,499
- child survivor = \$1,879
- widow(er) = \$2,506
- survivor family = \$4,387
- disability = \$2,499
- disability family = \$3,749

### Sample case 15

Shows Social Security Statement calculation using current Social Security Statement assumptions. Compare to sample case 14, where old PEBES assumptions are used.

### Description

- Social Security Statement calculation, June 2012
- born January 15, 1955
- planned retirement age 62
- maximum earnings 1976-2012
- maximum projected earnings
- Social Security Statement assumptions

### Result

- old-age 62 = \$1,875
- old-age 66 = \$2,534
- old-age 70 = \$3,332
- child survivor = \$1,879
- widow(er) = \$2,499
- survivor family = \$4,387
- disability = \$2,499
- disability family = \$3,749

## Sample case 16

Shows special minimum PIA in disability case, using pre-1951 earnings, no dollar-down rounding.

### Description

- Male disability benefit, January 1982
- born October 29, 1924
- earnings 1950-54: \$12,812, \$912, \$0, \$275, \$233; 1964-82: \$10, \$1011, \$2871, \$3148, \$3510, \$4301, \$4215, \$4705, \$5455, \$5724, \$5735, \$5227, \$6519, \$7204, \$7874, \$8617, \$6708, \$1730, \$283
- disability onset March 15, 1981
- first month of waiting period April 1981
- originally entitled September 1981

### Result

- PIA = \$321.40
- MBA = \$321.40

## Sample case 17

Shows prior period of disability in disability case.

### Description

- Male disability benefit, December 1994
- born July 15, 1931
- earnings from 1950 to 1982 (see stored case)
- disability onset December 27, 1982
- first month of waiting period January 1983
- originally entitled December 1983
- prior disability onset May 5, 1976
- first month of waiting period in prior disability June 1976
- prior disability cessation December 1978

### Result

- PIA = \$599.20

## User's Guide for Social Security Benefit Calculator

- MBA = \$599.00

### Sample case 18

Shows prior closed period of disability in old-age case.

#### Description

- Male old-age benefit, December 1994
- born February 14, 1932
- retired at age 62 and 1 month
- benefit at age 62 and 10 months
- earnings from 1950 to 1993 (see stored case)
- prior disability onset November 15, 1969
- prior disability entitlement June 1970
- prior disability cessation February 1972

#### Result

- PIA = \$928.90
- MBA = \$748.00

### Sample case 19

Shows re-indexed widow(er) guarantee PIA, disability cessation at death, entitlement more than 12 months after death and after age 62.

#### Description

- Aged widow benefit, May 1996
- worker born September 23, 1932
- prior disability onset July 22, 1991
- prior disability cessation August 1994
- died September 15, 1994
- widow born May 6, 1936
- earnings 1952-70: \$383, \$2051, \$1920, \$640, \$1841, \$825, \$1020, \$2555, \$2674, \$3021, \$3881, \$3404, \$4693, \$4755, \$5967, \$6110, \$4626, \$5363, \$411; 1976-92: \$2342, \$5989, \$6327, \$7584, \$8975, \$9544, \$10,060, \$10,315, \$10,818, \$12,522, \$13,495, \$12,929, \$13,302, \$13,407, \$13,817, \$13,709, \$2556

#### Result

- regular PIA = \$687.60
- re-indexed widow(er) guarantee PIA = \$714.40
- MBA = \$510.00

### Sample case 20

Shows projected earnings, 70 years of earnings.

## Description

- Male old-age benefit, April 2050
- born March 10, 1962
- retired at age 88 and 1 month
- earnings: \$50,000 in 1996, projected backward by 1% constant decrease to 1980, projected forward with no increase to 2049
- Social Security Statement assumptions

## Result

- PIA = \$2,161.30
- MBA = \$2,680.00

## Sample case 21

Shows re-indexed widow(er) guarantee PIA where worker died in month of attainment of age 62, before day of attainment.

## Description

- Aged widow benefit, October 2000
- worker born November 8, 1934
- prior disability onset January 15, 1981
- prior disability cessation November 1996
- died November 3, 1996
- widow born October 15, 1940
- maximum earnings, 1970-80

## Result

- regular PIA = \$790.30
- re-indexed widow(er) guarantee PIA = \$880.40
- MBA = \$629.00

## Sample case 22

Shows years-of-coverage savings clause for non-covered pension offset.

## Description

- Male old-age benefit, July 2014
- born June 22, 1952
- earnings 1966-79: \$838, \$4070, \$3951, \$3726, \$4617, \$7279, \$9000, \$10,800, \$12,016, \$11,744, \$14,097, \$6385, \$11,644, \$5037; 2002-2010: \$20,000, \$87,000, \$87,900, \$90,000, \$94,200, \$97,500, \$102,000, \$106,800, \$35,000
- monthly noncovered pension of \$1500 starting June 2010
- Social Security Statement assumptions

## Result

- PIA = \$1,162.30
- MBA = \$876.00

## Sample case 23

Shows use of 4 projection parameters.

## Description

- Male disability benefit, July 2018
- born January 15, 1973
- disability onset January 10, 2018
- earnings: \$60,000 in 2003, projected backward by 6% constant decrease to 1993, projected forward by 5% constant increase to 2018
- user-specified benefit increases after December 2011: 3%
- user-specified average wage increases after 2010: 4%

## Result

- PIA = \$2,808.20
- MBA = \$2,808.00

## Sample case 24

Shows use of childcare years.

## Description

- Female disability benefit, January 1999
- born January 15, 1966
- disability onset July 15, 1998
- maximum earnings 1987-93
- childcare years 1980-83

## Result

- regular PIA = \$1,468.00
- childcare dropout year PIA = \$1,567.00
- MBA = \$1,567.00

## Sample case 25

Shows disallowance of delayed retirement credits if not fully insured.

## Description

- Male old-age benefit, January 2001
- born January 15, 1930
- retired at age 71
- Earnings of \$5000 per year for 1991-2000

## Result

- PIA = \$134.20
- MBA = \$134.00

## Sample case 26

Shows applicability of delayed retirement credits if eligible for totalization benefits.

## Description

- Male old-age benefit, January 2002
- born January 15, 1935
- retired at age 67
- Maximum earnings 1990-92
- totalization benefit

## Result

- PIA = \$126.30
- MBA = \$141.00

## Sample case 27

Shows old PEBES assumptions, entered earnings, non-applicability of non-covered pension offset, retirement at exact age 62. Compare to sample case 4, where the non-covered pension entitlement date is at or before the Social Security benefit entitlement date. (The benefit in this case would be reduced beginning in October 2017.)

## Description

- Male old-age benefit, September 2017
- born September 2, 1955
- retired at exact age 62
- earnings of \$2000 in 1976-85, \$4000 in 1986-95, \$6000 in 1996-2005, \$8000 in 2006-15
- old PEBES assumptions
- monthly non-covered pension of \$400 starting October 2017

## Result

- PIA = \$628.40
- MBA = \$466.00

## Sample case 28

Shows the effect of the MFB on a disabled widow and two child survivor beneficiaries.

### Description

- Survivor benefit, October 2001
- worker born January 15, 1945
- died March 2000
- widow born January 15, 1950
- widow disabled January 5, 2001
- disabled widow benefit started October 2001
- first child born February 15, 1990
- child benefit started October 2001
- second child born February 15, 1990
- child benefit started October 2001
- maximum earnings 1970-1998

### Result

- PIA = \$1672.10
- re-indexed widow(er) guarantee PIA = \$1706.10
- MFB = \$2,926.20
- disabled widow MBA = \$846.00
- child MBA (two) = \$870.00

## Sample case 29

Shows the new-start method for a disability benefit with earnings after entitlement. This is the prior disability PIA for the disability guarantee computation in sample case 30.

### Description

- Female disability benefit, March 1988
- worker born January 15, 1942
- disability onset January 15, 1967
- first month of waiting period July 1972
- earnings of \$500 1965-69, \$1000 1970-79, \$2000 1980-84, \$3000 1985-87

### Result

- PIA = \$440.30
- MBA = \$440.00

## Sample case 30

Shows the disability guarantee method for a disability benefit with a prior period of disability. See sample case 29 for the computation of the previous disability cessation PIA.

## Description

- Female disability benefit, January 1990
- worker born January 15, 1942
- disability onset January 1, 1990
- previous disability onset January 15, 1967
- previous disability entitlement January 1973
- previous disability cessation April, 1988
- previous disability cessation PIA \$440.30
- previous disability cessation MFB \$673.20
- earnings of \$500 1965-69, \$1000 1970-79, \$2000 1980-84, \$3000 1985-89

## Result

- PIA = \$440.30
- MBA = \$440.00



## Registry entries

### Social Security Benefit Calculator and the Registry

The Registry system file contains information which is read by the Social Security Benefit Calculator when it starts. The Registry does not contain specific entries for this program when it is first installed; all necessary information is contained within the program itself. Thereafter, certain actions by the user may cause Registry entries to be created or updated. Once created, the Registry entries are located in HKEY\_CURRENT\_USER, Software, Social Security Administration, Anypia32.

The Registry entries consist of sections. Any of the following sections may exist:

- Recent File List: List of files most recently opened or saved.
- Computation Year: Current year.
- Field Office Info: Field office information.
- Historical Amounts for xxxx: Historical benefit increase, average wage, and wage bases for year xxxx.
- Benefit Increases Set x: Stored projected benefit increases for set x (1, 2, 3, or 4).
- Catch-up Increases Set x: Stored projected catch-up benefit increases for set x (1, 2, 3, or 4).
- Average Wage Increases Set x: Stored projected average wage increases for set x (1, 2, 3, or 4).
- Settings: Output report margins and font size, and screen settings.

### Recent File List section in the Registry

The section of the Registry entitled **Recent File List** has one line for each of up to four of the most recently opened or saved files. Each line has a Name entry of Filex, where x is 1, 2, 3, or 4. The Data entry is the full pathname of the file that was opened or saved. These names are listed under the File menu when the Social Security Benefit Calculator is run.

### Computation Year section in the Registry

The section of the Registry entitled **Computation Year** has one line with a Name entry of Year. The Data entry is a 4-digit year representing the current computation year.

### Field Office Info section in the Registry

The section of the Registry entitled **Field Office Info** has up to six lines. Each line has two parts (a Name entry and a Data entry):

Name entry	Data entry
<b>Name</b>	Name of district office manager.
<b>Title</b>	Title of district office manager.
<b>Address1</b>	First line of address of district office.
<b>Address2</b>	Second line of address of district office.
<b>Address3</b>	Third line of address of district office.

**Address4** Fourth line of address of district office.

## Historical Amounts for xxxx section in the Registry

There can be sections in the Registry with titles of **Historical Amounts for xxxx**, where xxxx is any year after the default computation year (2012 in the current version). If there are any historical amounts sections in the Registry, there should be one section for each year beginning with the first possible year (2013 in the current version) and ending with the last year for which data has been entered. If there is a missing year, the benefit increase, average wage, and wage bases will be set to zero for that year.

Each historical amounts section should have five lines. Each line has two parts (a Name entry and a Data entry):

Name entry	Data entry
<b>BenefitIncrease</b>	Benefit increase for December of year xxxx - 1.
<b>AverageWage</b>	Average wage for year xxxx - 2.
<b>WageBase</b>	OASDI wage base for year xxxx.
<b>OldLawWageBase</b>	Old law wage base for year xxxx.
<b>HiWageBase</b>	HI wage base for year xxxx.

## Benefit Increases Set x section in the Registry

There can be up to four sections in the Registry with titles of **Benefit Increases Set x**, where x is 1, 2, 3, or 4. Each section should have 12 lines. Each line has two parts (a Name entry and a Data entry):

Name entry	Data entry
<b>Year1</b>	Benefit increase in first projected year.
<b>Year2</b>	Benefit increase in second projected year.
...	...
<b>Year10</b>	Benefit increase in tenth projected year.
<b>Year11</b>	Benefit increase in eleventh and later projected years.
<b>Title</b>	Title of this set of benefit increases.

## Catch-up Increases Set x section in the Registry

There can be up to four sections in the Registry with titles of **Catch-up Increases Set x**, where x is 1, 2, 3, or 4. Each section should have 80 lines. Each line has two parts (a Name entry and a Data entry):

Name entry	Data entry
<b>Year0Year2</b>	Catch-up benefit increase for first year of eligibility, for 2 years after current year.
<b>Year0Year3</b>	Catch-up benefit increase for first year of eligibility, for 3 years after current year.
...	...
<b>Year0Year9</b>	Catch-up benefit increase for first year of eligibility, for 9 years after current year.
<b>Year1Year2</b>	Catch-up benefit increase for second year of eligibility, for 2 years after current year.
...	...

**Year1Year9** Catch-up benefit increase for second year of eligibility, for 9 years after current year.

...

**Year9Year9** Catch-up benefit increase for tenth year of eligibility, for 9 years after current year.

## Average Wage Increases Set x section in the Registry

There can be up to four sections in the Registry with titles of **Average Wage Increases Set x**, where x is 1, 2, 3, or 4. Each section should have 13 lines. Each line has two parts (a Name entry and a Data entry):

Name entry	Data entry
<b>Year1</b>	Average wage increase in last historical year.
<b>Year2</b>	Average wage increase in first projected year.
...	...
<b>Year11</b>	Average wage increase in tenth projected year.
<b>Year12</b>	Average wage increase in eleventh and later projected years.
<b>Title</b>	Title of this set of average wage increases.

## Settings section in the Registry

The section of the Registry entitled **Settings** has up to six lines. Each line has two parts (a Name entry and a Data entry):

Name entry	Data entry
<b>Left Margin</b>	Left margin of printed report, in inches.
<b>No Introduction</b>	Indicator for showing introductory dialog box (0 to show dialog, 1 to not show dialog).
<b>PrinterPoints</b>	Font size for printed output in points.
<b>ScreenPoints</b>	Font size for screen output in points.
<b>Top Margin</b>	Top margin of printed report, in inches.



## For developers only

### Input data from a file

Input can be entered from a file by choosing **File** from the main menu and **Open...** from the pulldown menu. If the file was originally created by this program, then it will automatically be in the correct format to be read back into the program. It is possible to create a file with the required information, in the correct format, outside of this program (for instance, in another program running against a database of worker information). However, the file created must be in exactly the correct format or this program will detect an error and stop. See File structure for a description of the required file structure.

### Source code

The source code for the Social Security Benefit Calculator is downloadable from the Social Security Administration web site). Go to <http://www.ssa.gov/OACT/any pia/source.html> for more information about the source code and instructions on downloading it.



## **Glossary**

### **AIME**

Average Indexed Monthly Earnings. The amount of earnings used in determining the PIA for most workers who attain age 62, become disabled, or die after 1978. A worker's actual past earnings are adjusted by changes in the average wage index, in order to bring them up to their approximately equivalent value at the time of retirement or other eligibility for benefits.

### **AME**

Average Monthly Earnings. The amount of earnings used in determining the PIA for most workers who attain age 62, become disabled, or die before 1979. A worker's actual past earnings are summed over the appropriate number of years, then divided by the number of months in those years.

### **MBA**

Monthly benefit amount. A beneficiary's monthly benefit amount is based on the PIA, but may be reduced or increased for various reasons. For aged beneficiaries (old-age, spouse, or widow(er)), actuarial reduction applies for receipt before full retirement age. For old-age beneficiaries, delayed retirement credit applies for receipt after full retirement age. For auxiliary beneficiaries (spouse or child), a benefit factor applies to the PIA.

### **MFB**

Maximum Family Benefit. The maximum monthly amount that can be paid on a worker's earnings record. Whenever the total of the individual monthly benefits payable to all the beneficiaries entitled on one earnings record exceeds the maximum, each dependent's or survivor's benefit is proportionately reduced to bring the total within the maximum. Benefits payable to divorced spouses or surviving divorced spouses are not reduced under the family maximum provision.

### **Military service wage credits**

Credits recognizing that military personnel receive wages in kind (such as food and shelter) in addition to their basic pay and other cash payments. Noncontributory wage credits of \$160 were provided for each month of active military service from September 16, 1940, through December 31, 1956. For years after 1956, the basic pay of military personnel is covered under the Social Security program on a contributory basis. In addition to the contributory credits for basic pay, noncontributory wage credits of \$300 were granted for each calendar quarter, from January 1957 through December 1977, in which a person received pay for military service. Noncontributory wage credits of \$100 were granted for each \$300 of military wages, up to a maximum credit of \$1200 per calendar year, from January 1978 through December 2001.

## **PIA**

Primary Insurance Amount. The monthly amount payable to a retired worker who begins to receive benefits at full retirement age or (generally) to a disabled worker. This amount, which is related to the worker's AIME, is also the amount used as a base for computing all types of benefits payable on the basis of one individual's earnings record.

## **Quarters of coverage**

Quarters of coverage, which are also called QCs or credits, are the basic unit that workers earn in order to become insured for benefits. Before 1978, quarters of coverage were earned by having wages above \$50 in a calendar quarter, with 4 quarters of coverage earned if a worker earns the taxable maximum for a year. In 1978, the earning of quarters of coverage was changed to an annual basis, with the amount needed for each quarter of coverage adjusted annually for inflation. In some cases, quarters of coverage can be earned through railroad earnings or periods of military service.

The calculator computes quarters of coverage from annual earnings in 1978 and later automatically. For quarters of coverage earned before 1978, you have the option of entering the lump-sum total you earned or annual figures. See Summary quarters of coverage information for more information on how to enter pre-1978 quarters of coverage.

## **Trustees Report**

The Board of Trustees of the Social Security Trust Funds report each year on the current and projected financial condition of the Social Security program, which is financed through two separate trust funds. The Old-Age and Survivors Insurance (OASI) Trust Fund pays monthly benefits to retired workers (including disabled workers who have reached normal retirement age) and their families and to survivors of deceased workers. The Disability Insurance (DI) Trust Fund pays monthly benefits to disabled workers and their families. The report on the current financial status of the funds includes an accounting of the actual income and expenditures for the last year. For future years, the projections of the trust funds' financial condition reflect the Trustees' considered judgment after review of available evidence and expert opinion about all the economic and demographic factors that affect income and expenditures. Projections are presented separately for the next 10 years (the short range) and for the next 75 years (the long range).

Although, in general, a greater degree of certainty can be presumed for projections encompassing the next few years than for a period as long as the next 75 years, any estimation of the future is uncertain. Therefore, three alternative sets of economic and demographic assumptions are used to show a range of possible outcomes for all projections. The "intermediate" set of assumptions, designated as alternative II, reflects the Trustees' "best estimates" of future experience; the "low cost" alternative I is more optimistic, and the "high cost" alternative III more pessimistic for the trust funds' future financial outlook. For both the short range and the long range, however, it is important to understand that the projections in this report are only an indication of the expected trend and likely range of future trust fund experience. Also, all projections are based on the

Social Security program provisions in current law and are not intended to anticipate any changes in these provisions that might be made in the future.

The 2011 Trustees Report is available at the Social Security Administration's web site at <http://www.socialsecurity.gov/OACT/TR/2011/index.html>.

A printed copy of the latest Trustees Report may be obtained by writing to:

Office of the Actuary  
Room 700 Altmeyer Bldg.  
6401 Security Blvd.  
Baltimore, MD 21235

## **Totalization**

Totalization agreements between the U.S. and foreign countries provide for limited coordination of U.S. and foreign social security programs. The agreements help eliminate situations where workers suffer a loss of benefit rights because they have divided their careers between the U.S. and a foreign country. Under an agreement, workers may qualify for partial U.S. or foreign benefits, called totalization benefits, based on combined work credits from both countries.

In order to be eligible for totalization benefits, the worker must: 1) not be insured for benefits based on U.S. coverage alone, 2) have at least 6 quarters of coverage, and 3) have substantial work in a foreign country with a totalization agreement.



# Contacting the Social Security Administration

## Obtaining a Social Security Statement

Your Social Security Statement is a concise, easy-to-read personal record of the earnings on which you have paid Social Security taxes during your working years and a summary of the estimated benefits you and your family may receive as a result of those earnings.

The Social Security Administration provides the Statements in two ways: in automatic annual mailings to workers and former workers aged 25 and older and at any time to workers of any age who request them.

The Social Security Administration hopes that you will keep your Statement with your other important papers and use it in several ways:

- First, the benefit estimates in your Statement can play an important role in your financial planning. When combined with your savings, investments and other pensions, your Social Security benefits can help you build a secure future for yourself and your family.
- Second, the Statement can help you make sure that your reported earnings and other important information such as your name and date of birth are correct on your record. Mistakes could keep you from getting all the Social Security benefits you have earned. The sooner you identify mistakes, the easier it will be to help us correct them.
- And finally, the general information on the Statement tells you about all the protection you are earning under Social Security. Many people think of Social Security only as a retirement program. The Statement shows how even young workers are building valuable protection in case they become disabled or die before they reach retirement age.

You can request a Social Security Statement online at <http://www.ssa.gov/mystatement/>.

## Technical support

Within the Social Security Administration, designated local support personnel should be contacted for technical support.

We welcome your suggestions and comments. However, we are unable to provide technical support outside of the Social Security Administration except on a very limited basis. If you would like to get in contact with us for technical support, you can send:

- e-mail to:  
CalculatorMaster@ssa.gov, or
- regular mail to:  
Calculator Master  
Room 760 Altmeyer Bldg.  
6401 Security Blvd.  
Baltimore, MD 21235.

If you have questions about your own earnings record or Social Security benefit, you should contact the Social Security Administration (see Personal assistance for more information). Do not use the address above for personal assistance; your request will not be answered.

## Personal assistance

You may obtain clarification or assistance on Social Security matters at any Social Security office or by calling the Social Security toll-free telephone number, 1-800-772-1213.

## Other resources

The Social Security Administration offers many resources to help you learn about Social Security in general or to help you with your own benefit claim.

- The Social Security Handbook is one of numerous publications about the Social Security programs. It also contains brief descriptions of related programs administered by other agencies. It is a readable, easy to understand resource for the very complex Social Security programs and services.
- You may obtain clarification or assistance on Social Security matters as described under Personal assistance.
- We are working on a publication named **OASDI Digest**, which explains in detail how Social Security benefits are computed. We hope to provide it in a future version of this help file. In the meantime, you can request an electronic version (in PDF format), or a printed version, of the latest draft of the **OASDI Digest** by contacting us at the addresses given under Technical support.

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