

2014 Social Security/SSI/Medicare Information

Social Security Program

- Tax Rate: Employee ----- 7.65% (6.20% -OASDI, 1.45% - HI)¹
 Employer ----- 7.65% (6.20% - OASDI, 1.45% - HI)
 Self-employed ----- 15.30% (12.40%-OASDI, 2.90% - HI)
- Maximum Taxable Earnings Base: OASDI-- \$117,000; HI-- No limit
- Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee:	\$7,254.00	No limit
Employer:	\$7,254.00	No limit
Self-employed:	\$14,508.00	No limit
- OASDI Covered Workers (est. -- in millions, CY 2014):

<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
153.9	19.4	164.9
- Percent of workers in paid employment or self-employment who are covered: 93%
- Estimated Worker/Beneficiary Ratio:

2013: 2.8 to 1	2040: 2.1 to 1
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- Earnings Required for a Quarter of Coverage in 2014: \$1,200; (\$4,800 for four)
- Coverage Thresholds for 2014: Self Employment: \$400; Domestic Employment: \$1,900;
 Election Workers: \$1,600
- Retirement Test Exempt Amounts:
 --No test beginning with month of attaining full retirement age (FRA)
 --For pre-FRA months in year attaining FRA: -- \$41,400 annually, \$3,450 monthly (\$1 for \$3 withholding rate)
 --Under FRA: --\$15,480 annually, \$1,290 monthly (\$1 for \$2 withholding rate)
- Substantial Gainful Activity: \$1,070/mo. for non-blind, disabled; \$1,800/mo. for blind.
- Trial Work Period Service Month: \$770/mo.
- Minimum Earnings for "Year of Coverage :

	<u>2014</u>
--Special Minimum:	\$13,050
--Windfall Elimination Provision:	\$21,750
- Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2014)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$816 of AIME, plus	150% of first \$1,042 of PIA, plus
32% of AIME over \$816 through \$4,917, +	272% of PIA over \$1,042 through \$1,505+
15% of AIME over \$4,917	134% of PIA over \$1,505 through \$1,962 +
	175% of PIA over \$1,962
(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)	
- Average Monthly Benefits:²

	<u>12/13</u>
All retired workers:	\$1,294
Retired workers with an aged spouse (combined benefit):	2,111
All disabled workers:	1,146
Disabled workers with a young spouse and at least 1 child (combined benefit):	1,943
All aged widow(er)s:	1,244
Widowed mother/father and 2 children (combined benefit):	2,593

¹ The *Affordable Care Act* increased the HI tax by 0.9 percent for single filers with wages above \$200,000 and joint filers with wages above \$250,000 which began in January, 2013.

² Average Monthly Benefit changes based on the number of claims filed as well as the number of beneficiaries who come off of the Social Security rolls monthly.

- Benefits for 1/2014 Retirees :

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 66)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner	\$1004.80	\$753	\$1,002.00	\$1,002
Scaled medium earner	1,655.00	1,241	1,650.30	1,650
Maximum earner	2,642.60	1,981	2,642.60	2,642
- Long-Range Constant Pre-Retirement Earnings Replacement Rate: Retirement at Age 67 in 2030 or later
 Scaled low earner: 55%; Scaled medium earner: 41%; Maximum earner: 27%
- Number of OASDI Beneficiaries (as of 12/13):

--Total OASDI beneficiaries:	58.0 million
--Retired workers and family members:	40.8 million
-Retired workers:	37.9 million
-Spouses:	2.3 million
-Children:	0.6 million
--Survivors of deceased workers:	6.2 million
-Aged surviving spouses:	3.9 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.1 million
-Children:	1.9 million
--DI beneficiaries:	11.0 million
-Disabled workers:	8.9 million
-Spouses:	0.2 million
-Children:	1.9 million
- Number of OASDI Children Beneficiaries (12/13):

-Total:	4,412,620
-Children under age 18:	3,236,840
-Students:	145,623
-Disabled Children:	1,030,157
- Special Minimum PIA:
 The highest special minimum PIA = \$816 (30 years of coverage)
- Full Retirement Age Schedule — by Year of Birth:

1938 - 65/2 mos.	1942 - 65/10 mos.	1957 - 66/6 mos.
1939 - 65/4 mos.	1943 - 54 – 66	1958 - 66/8 mos.
1940 - 65/6 mos.	1955 - 66/2 mos.	1959 - 66/10 mos.
1941 - 65/8 mos.	1956 - 66/4 mos.	1960+ - 67
- Other Revenue -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>	<u>Where Revenue Goes</u>
up to 50%	\$25,000 - \$34,000	Individual	OASDI
	\$32,000 - \$44,000	Joint	OASDI
up to 85%	\$34,000 +	Individual	HI
	\$44,000 +	Joint	HI
- Average Wage Level: 2012: \$44,321.67
- Maximum Amount of Windfall Elimination Provision (WEP) reduction: 2014: \$408
- OASDI Benefit Payments (FY 2013):
 OASI: \$663.2 billion
 DI: 139.4 billion
 OASDI: 802.6 billion
- OASDI Administrative Expenses (FY 2013):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 3.4	\$2.8	\$6.2
Percent of Benefit Payments	0.5%	2.0%	0.8%

- OASI/DI Trust Funds’ Operations (in billions based on intermediate assumptions in 2014 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds’ Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2012	\$840	\$786	\$54	\$2,732
2013	\$855	\$823	\$32	\$2,764

- Key dates from 2014 OASDI Trustees Report (using intermediate assumptions):
 - 2010 Expenditures exceeded tax income and remained in excess thereafter.
 - 2016 DI Trust Fund asset reserves are depleted. At that time, current Social Security taxes would support about 80% of the expected DI benefits.
 - 2022 Expenditures exceed total income and remain in excess thereafter.
 - 2034 OASDI Trust Fund asset reserves are depleted . At that time, current Social Security taxes would support about 75% of the expected OASDI benefits.

- Estimated long-range deficit: 2.88 percent of taxable payroll.

- Percent of Beneficiaries (by Sex) Retired and Disabled 2011 (latest data available):

49% Women retired 48% Women disabled, 51% Men retired, 52% Men disabled

- Social Security income as a percent of total income of beneficiaries in 2010 (latest data available)

53% of aged couples and 74% of unmarried aged individuals depend on Social Security for 50% or more of income

23% of aged couples and 46% of unmarried aged individuals depend on Social Security for 90% or more of income

SSI Program

2014 SSI Payment Standard: (Federal Maximum) \$721 individual, \$1,082 couple

- Resource Limits:

Individual----- \$2,000

Couple----- \$3,000

- Number of SSI Recipients and Average Federally Administered Payment—All Sources (as of 12/13):

	<u>Recipients</u>	<u>Average Payments</u>
Total-----	8,363,477	\$ 529
Aged -----	1,157,118	417
Blind and Disabled -----	7,206,359	547

SSI Beneficiaries by Age:

Under 18 ----- 1,321,681 \$ 631

Age 18-64 ----- 4,934,272 546

Age 65 and Over ----- 2,107,524 425

- SSI Expenditures FY 2013

o Federal SSI payments ----- \$52.8 billion

o Federally Administered State Supplements ----- \$3.3 billion

Social Security and SSI Information

- Number of people receiving monthly benefits from SSA (as of 12/13):

-OASDI Benefits only ----- 54.8 million

-SSI Benefits only ----- 5.6 million

-OASDI and SSI Benefits Concurrently --- 2.8 million

Total----- 63.2 million

- Program Accuracy:

OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2012

-- 99.8% of payment outlays without an overpayment

-- 99.9 % of payment outlays without an underpayment

SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2012

-- 93.7 % of payment outlays without an overpayment

-- 98.2% of payment outlays without an underpayment

DDS Accuracy Rate for Initial Disability Decisions – FY 2012

-- 98% - Overall performance accuracy rate

Medicare Program³

- Number of HI/SMI Enrollees (FY 2013):

Total HI and/or SMI enrollees-----	51.9 million
Aged-----	43.2 million
Disabled-----	8.7 million
Total SMI enrollees-----	47.6 million
Aged-----	39.8 million
Disabled-----	7.8 million

- Part A Hospital Insurance: Monthly Premium (2014)

Fully Insured	\$0
30+ credits	\$234.00
Fewer than 30 credits	\$426.00

- Part B Supplementary Medical Insurance Premium (2014): \$104.90 to \$335.70 (Depends on income). Annual deductible is \$147.

- Income-Related Monthly Adjustment Amount (IRMAA) Information:

Number of Beneficiaries Affected: IRMAA/Part B – 2.5 million in 2014

IRMAA/Part D --1.67 million in 2014

<u>*Modified Adjusted Gross Income (MAGI)</u>		<u>Total Monthly Part B Premium</u>	<u>IRMAA Part D⁴</u>
<u>Single</u>	<u>Married Couple</u>		
\$85,000 or less	\$170,000 or less	\$104.90 (standard premium)	\$ 0.00
\$85,000.01-107,000.00	\$170,000.01-214,000.00	\$146.90	\$12.10
\$107,000.01-160,000.00	\$214,000.01-320,000.00	\$209.80	\$31.10
\$160,000.01-214,000.00	\$320,000.01-428,000.00	\$272.70	\$50.20
\$214,000.01 or more	\$428,000.01 or more	\$335.70	\$69.30
<u>Married, Filing Separately</u>			
\$85,000 or less		\$104.90 (standard premium)	\$ 0.00
\$85,000.01-129,000.00		\$272.70	\$50.20
\$129,000.01 or more		\$335.70	\$69.30

- Medicare Part D Subsidy Eligibility Requirements:

GENERAL – Individual Must Be:

- Entitled to Part A or enrolled in Part B* (or both);
- Enrolled in prescription drug plan;
- Reside in 50 States or D.C.;
- File an application, and;
- Have income and resources within specified limits.

- o 2014 Income Limits*

--Full Subsidy – Below 100% of poverty guidelines (below \$15,511.50 for an individual and \$20,938.50 for 2 person family in contiguous States and D.C. of the U.S.)

--Partial Subsidy – Between 135%-150% of poverty guidelines (between \$15,511.51 and \$17,235 for an individual: between \$20,938.51 and \$23,265 for 2 person family in contiguous States and D.C. in the U.S.)

--Amounts adjusted annually based on federal poverty levels (FPL)

- o 2014 Resource Limits*

--Full Subsidy – \$8,660 individual/\$13,750 married couple living together

--Partial Subsidy – \$13,440 individual/\$26,860 married couple living together

--Amount adjusted annually based on CPI

*Includes burial fund exclusion.

Resources/Contacts

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

Number of calls to the 800 # FY 2013: 84,720,116

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

Office of Legislation and Congressional Affairs Website--<http://www.socialsecurity.gov/legislation/>

Constituent Relations Staff: (410) 965-3929

Congressional Affairs Staff – (202) 358-6030

Medicare Info: 1-800-633-422 TTY: 1-877-486-204 Medicare online: <http://www.medicare.gov>

³ The Affordable Care Act includes a 3.8% imposed surtax on unearned income for individuals/couples with MAGI above \$200/\$250k.

⁴ Part D premium depends on each individual's plan. The amounts shown in the column are added to the plan's premium.