
Introduction

The Federal Insurance and Self-Employment Contribution Acts (FICA and SECA) require the withholding of taxes from wages of employed persons and the net earnings of most self-employed persons for the Social Security and Medicare programs. In 2022, earnings up to \$147,000 in covered employment were subject to Social Security (Old-Age, Survivors, and Disability Insurance, OASDI) taxes. There was no limit on annual earnings subject to Medicare Part A (Hospital Insurance, HI) taxes.

Under Social Security, the tax rate was the same (6.2 percent) for both employees and employers. The rate for self-employed workers equaled the combined employee and employer rate of 12.4 percent. Under Medicare, the rate was also the same (1.45 percent) for both employees and employers. For self-employed workers, it was 2.9 percent.

Beginning in 2013, an additional Medicare tax of 0.9 percent is assessed on earned income exceeding \$200,000 for individuals and \$250,000 for married couples filing jointly. This additional Medicare tax is not included in the contribution amounts shown in the tables.

The amount of Social Security taxable earnings is determined first by counting wage and salary earnings (as reported by employers) and then any self-employment income up to the taxable maximum (as reported by self-employed individuals). The amount of taxes includes both the employee and employer shares for Social Security.

Data in this report are not adjusted for multiemployer tax refunds. Employees pay taxes on their earnings up to the annual maximum taxable amount for each employer that they work for during the year. Employees who work for two or more employers and earn more than the annual maximum taxable amount over the course of the year pay excess contributions that are later refunded. Corresponding employer contributions are not refunded.

Two deduction provisions reduce the SECA and income tax liability of self-employed persons, with the intent of treating them the same as employees and employers for purposes of Social Security and income taxes. Taxable net earnings from self-employment are determined by reducing net profit from self-employment by an amount equal to net profit times one-half of the combined SECA tax rate. The resulting amount is not taxable for Social Security if less than \$400. In addition, self-employed persons may deduct one-half of their SECA taxes as an adjustment to income on Internal Revenue Service (IRS) Form 1040.

This report presents 2022 earnings and employment data for persons covered under Social Security and Medicare in the 50 states, the District of Columbia, and Puerto Rico. It shows members of the armed forces and reserves according to the residence listed on their W-2 form. Workers in American Samoa, Guam, Northern Mariana Islands, and U.S. Virgin Islands; U.S. citizens employed abroad by U.S. employers; persons employed on U.S. oceanborne vessels; and workers with unknown residence are grouped together as “Other.” The data are presented by sex and age.

The report uses a residence-based geographic coding system. State and county designations are based on employee residence shown on the W-2 wage reports that employers send to the Social Security Administration (SSA) and on addresses matched to self-employment earnings reports. Where a county code is not available, the residence is shown as “Unknown” within the state.

Maryland, Missouri, Nevada, and Virginia contain at least one independent city that is not part of a county. For these states, the counties are listed in alphabetical order, followed by the independent cities in alphabetical order.

The tables show workers with earnings reported in more than one state or county during the year in one location, mainly their end-of-year residence. The logic sequence for coding a worker’s residence begins with the address associated with self-employment. If the worker files no Schedule SE, the address from the report showing the highest taxable wages paid under Medicare is used. Workers with earnings reported in both wage and salary jobs and self-employment are counted in each type of employment, but only once in the total.

Data in this report were obtained from the 1 percent Continuous Work History Sample (CWHHS), derived from W-2 wage reports and from IRS Schedule SE of Form 1040. The sample data were inflated to correspond to SSA estimates for the U.S. population. Totals and subtotals may differ slightly from the sum of component values because of rounding. For some counties, different weighting factors result in small discrepancies between the estimated number of workers in Social Security employment and the number in Medicare employment. All employment covered by Social Security is also covered by Medicare.

Because this report is based on a 1 percent sample, the data are subject to sampling variability. Each number is actually an estimate of the true value in the overall population. A result of sampling is that the numbers have

a level of uncertainty, and this uncertainty increases as the numbers get smaller. Therefore, the user should view numbers shown here, particularly the relatively smaller ones, with that result in mind. Sampling variability is described in the appendix. To protect the privacy of workers, table cells with fewer than 3 sample cases at the state level and 10 sample cases at the county level are not shown.

Medicare money amounts for a given state or county can be distorted by high earners in our sample whose earnings are not statistically representative of that state or county.

All tables show the number of persons with taxable earnings under the Social Security and Medicare programs, the amount taxable, and the amount paid (FICA and SECA taxes).

The data for the OASDI program (Tables 1–3) exclude the earnings of persons in jobs covered by Medicare only, such as government employees hired after March 1986 under state and local retirement plans and federal employees hired before 1983 under the Civil Service Retirement System. However, their earnings from any part-time employment or self-employment under Social Security are counted.

The data for the HI program (Tables 4–6) include earnings over the Social Security taxable maximum and any earnings in jobs covered by Medicare only (such as government employment described above).