

## 2021 Social Security/SSI/Medicare Information

### Social Security Program (Old Age, Survivors and Disability Insurance – OASDI)

2021 Maximum Taxable Earnings: OASDI–\$142,800; Hospital Insurance (HI, also called Medicare Part A)–No limit

<u>Federal Tax Rate:</u>		<u>Max OASDI</u>	<u>Max HI</u>
Employee	7.65% (6.2% - OASDI, 1.45% - HI)	\$8,853.60	No limit
Employer	7.65% (6.2% - OASDI, 1.45% - HI)	\$8,853.60	No limit
Self-employed	15.30% (12.4% - OASDI, 2.9% - HI)	\$17,707.20	No limit

Earnings Required for a Quarter of Coverage in 2021: \$1,470 (\$5,880 for four)

#### Full Retirement Age (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

#### Benefits for Retirees (3/2021)<sup>1</sup>:

	<u>Age 62</u>		<u>Full Retirement Age (FRA)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner	\$1,225.00	\$867	\$1,179.50	\$1,179
Scaled medium earner	\$2,016.70	\$1,428	\$1,944.10	\$1,944
Maximum earner	\$3,262.70	\$2,311	\$3,148.10	\$3,148

#### 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%

<u>Coverage Thresholds for 2021<sup>2</sup>:</u>	<u>Self-Employment</u>	<u>Domestic Employment</u>	<u>Election Workers</u>
	\$400	\$2,300	\$2,000

#### OASDI Covered Workers (Estimated, Calendar Year (CY) 2019):

Wages:	166.4 million
Self-employment:	<u>20.2 million</u>
Total (Wages, Self-employment, or Both):	177.6

Percent of workers in paid employment or self-employment who are covered: 94%

<u>Estimated Worker/Beneficiary Ratio:</u>	<u>2019</u>	<u>2037</u>
	2.8 to 1	2.2 to 1

<sup>1</sup> This table provides information on the benefits a typical person would receive at certain ages if his or her career earnings averaged about 45% of the national average wage index (a low earner), 100% of that index (a medium earner), or the maximum amount subject to the Social Security payroll tax. To make the low and medium earner estimates more accurate, we “scale” the hypothetical earnings, meaning that we adjust the pattern in which they are earned over the career to reflect the fact that real people tend to earn more at certain ages.

<sup>2</sup> If a person earns less than the amount shown in these types of employment then those earnings are not “covered” by Social Security, which means they are not subject to Social Security taxes nor do they count toward a person’s future Social Security benefits.

Retirement Test Exempt Amounts (CY 2021):

- Retirement Earnings Test applies only to people below FRA.
- Annual exempt amount—2021 is a year before the year FRA is attained—\$18,960. \$1 in benefits is withheld for every \$2 in earnings above the exempt amount.
- Annual exempt amount—2021 is the year in which FRA is attained—\$50,520. \$1 in benefits is withheld for every \$3 in earnings above the exempt amount. In addition, only earnings prior to FRA count.

Primary Insurance Amount and Maximum Family Benefit Formulas (for Workers who Attain Age 62, Become Disabled, or Die in 2021)<sup>3</sup>:

Primary Insurance Amount (PIA) Formula	OASI Maximum Family Benefits Formula <sup>4</sup>
90% of first \$996 of AIME, plus	150% of first \$1,272 of PIA, plus
32% of AIME over \$996 through \$6,002 +	272% of PIA over \$1,272 through \$1,837+
15% of AIME over \$6,002	134% of PIA over \$1,837 through \$2,395 +
	175% of PIA over \$2,395

<u>Average Monthly Benefits Payable in 1/2021</u>	<u>Before 1.3% COLA</u>	<u>After 1.3% COLA</u>
All retired workers	\$1,523	\$1,543
Aged couple, both receiving benefits	\$2,560	\$2,594
Widowed mother/father and two children	\$2,964	\$3,002
Aged widow(er) alone	\$1,434	\$1,453
Disabled worker, spouse and one or more children	\$2,197	\$2,226
All disabled workers	\$1,261	\$1,277

Substantial Gainful Activity (2021): \$1,310 per month for non-blind, disabled; \$2,190 per month for blind

Trial Work Period Service Month (2021): \$940 per month

Number of OASDI Beneficiaries (as of 11/30/2020):

Total OASDI beneficiaries	64.9 million
Retired workers and family members	49.3 million
Retired workers	46.3 million
Spouses	2.3 million
Children	0.7 million
Survivors of deceased workers	5.9 million
Aged surviving spouses	3.6 million
Disabled surviving spouses	0.2 million
Surviving spouses w/ child-in-care	0.1 million
Children	1.9 million
DI beneficiaries	9.7 million
Disabled workers	8.2 million
Spouses	0.1 million
Children	1.4 million

<sup>3</sup> The “primary insurance amount” (PIA) is the basic figure we use to determine the monthly benefit amounts payable to workers and their families. In general, if a person starts receiving benefits at full retirement age, then the monthly benefit amount would equal his or her PIA. The benefits of family members are also based on certain percentages of the worker’s PIA. For example, the monthly benefits for an eligible spouse of a living worker is up to 50% of the worker’s PIA.

We use the PIA formula listed here to calculate most people’s PIAs. This formula sums certain portions of a person’s career Average Indexed Monthly Earnings (AIME). The dollar amounts in the formula (which are often called “bend points”) change based on changes in the Average Wage Index (see page 4). Please see <https://www.ssa.gov/OACT/COLA/piaformula.html> for more information on how we calculate PIAs.

<sup>4</sup> The maximum amount of benefits payable to the families of beneficiaries who are entitled to Disability Insurance benefits ranges from 100% to 150% of the PIA. Please see <https://www.ssa.gov/oact/cola/dibfamilymax.html> for more information.

OASDI Child Beneficiaries (11/20):

Children under age 18	2,765,407
Students	81,088
Disabled Children	<u>1,151,566</u>
Total	3,998,061

Maximum Special Minimum PIA (Effective 12/2020): \$897.90 (with 30 years of coverage)

Maximum Amount of Windfall Elimination Provision (WEP) Reduction (WEP 1<sup>st</sup> Applied in 2021): \$498

**Supplemental Security Income (SSI) Program**

	<u>Individual</u>	<u>Couple</u>
<u>SSI Federal Benefit Rate (Federal Monthly Maximum) (CY 2021)</u>	\$794	\$1,191
<u>Resource Limits</u>	\$2,000	\$3,000

Number of SSI Recipients and Average Federally Administered Payment All Sources (as of 11/20):

	<u>Recipients</u>	<u>Average Payments</u>
Total	7,993,867	\$577
Aged	1,141,278	\$459
Blind and Disabled	6,852,589	\$597
SSI Recipients by Age:		
Under 18	1,117,554	\$681
Age 18-64	4,578,052	\$607
Age 65 and Over	2,298,261	\$469

SSI Expenditures (FY 2020):

Federal SSI payments	\$56.4 billion
Federally Administered State Supplement	\$2.5 billion

**Medicare Program**

Enrollees—Part A Only, Part B (also Called Supplementary Medical Insurance (SMI)) Only, or Both (FY 2020)

Total	62.3 million
Aged	53.8 million
Disabled	8.5 million

Part A (HI):

	<u>Monthly Premium (CY 2021)</u>
Fully Insured	\$0
30+ credits	\$259
Fewer than 30 credits	\$471

Part B Premium (CY 2021):

\$148.50 to \$504.90, based on income (please see the “IRMAA by Modified Adjusted Gross Income...” table below)  
Annual deductible is \$203.00

Beneficiaries Affected by Income-Related Monthly Adjustment Amount (IRMAA) (Premium Year 2020):

<u>Program</u>	<u>Number of Beneficiaries Affected</u>
IRMAA - Part B	4,635,801
IRMAA - Part D	3,760,399

IRMAA by Modified Adjusted Gross Income (CY 2021)

<u>Single</u>	<u>Married</u>	<u>Total Monthly Part B Premium</u>	<u>IRMAA Part D</u> <sup>5</sup>
\$88,000 or less	\$176,000 or less	\$148.50 (standard premium)	\$0.00
\$88,000.01-\$111,000.00	\$176,000.01-\$222,000.00	\$207.90	\$12.30
\$111,000.01-\$138,000.00	\$222,000.01-\$276,000.00	\$297.00	\$31.80
\$138,000.01-\$165,000.00	\$276,000.01-\$330,000.00	\$386.00	\$51.20
\$165,000.01-\$499,999.99	\$330,000.01-\$749,999.99	\$475.20	\$70.70
\$500,000 or greater	\$750,000 or greater	\$504.90	\$77.10

Married, Filing Separately

\$88,000 or less	\$148.50 (standard premium)	\$0.00
\$88,000.01-\$411,999.99	\$475.20	\$70.70
\$412,000 or greater	\$504.90	\$77.10

Medicare Prescription Drug Coverage (Part D) Extra Help Eligibility Requirements:

Individual must:

- be entitled to Part A or Part B (or both);
- be enrolled in prescription drug plan and live in a service area (excludes the incarcerated);
- reside in one of the 50 States or D.C.;
- file an application; and
- have income and resources within certain limits.

2021 Extra Help Income Limits:

Full Subsidy—Below 135% of poverty guidelines (below \$17,388.00 for an individual and \$23,517.00 for a two-person family in the contiguous States and D.C.<sup>6</sup>)

Partial Subsidy—Between 135%-150% of poverty guidelines (between \$17,388.00 and \$19,320.00 for an individual and between \$23,517.00 and \$26,130.00 for a two-person family in the contiguous States and D.C.)

2021 Extra Help Resource Limits:<sup>7</sup>

Full Subsidy—\$9,470 individual, \$14,960 married couple living together

Partial Subsidy—\$14,790 individual, \$29,520 married couple living together

**Trust Fund and Miscellaneous Program Data**

Percentage of Social Security Benefits Taxed:

<u>Filing Status</u>	<u>% Taxed</u>	<u>Income Threshold</u>	<u>Where Revenue Goes</u>
Individual	up to 50%	\$25,000 - \$34,000	OASDI
Joint	up to 50%	\$32,000 - \$44,000	OASDI
Individual	up to 85%	\$34,000 or more	HI
Joint	up to 85%	\$44,000 or more	HI

<u>Average Wage Index:</u>	<u>2018</u>	<u>2019</u>
	\$52,145.80	\$54,099.99

OASDI Administrative Expenses (Excluding Treasury Administrative Costs) (FY 2020):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$3.1	\$2.4	\$5.6
Percent of Benefit Payments	0.3%	1.7%	0.5%

<sup>5</sup>Part D premiums vary by plan. The amounts shown in this column are added to the plan's premium.

<sup>6</sup>Different income limits apply in Alaska and Hawaii.

<sup>7</sup>Includes the burial fund exclusion.

OASDI Benefit Payments FY 2020:

OASI \$940.2 billion  
DI \$144.0 billion  
OASDI \$1,084.2 billion

OASI/DI Trust Funds' Operations (Based on Intermediate Assumptions in 2020 Trustees Report(in Billions))

<u>Calendar Year</u>	<u>Income</u>	<u>Cost</u>	<u>Net Increase</u>	<u>End Of Year Balance</u>
2019	\$1,062	\$1,059	\$2	\$2,897
2020 estimated	\$1,116	\$1,112	\$4	\$2,902

Key Years from 2020 OASDI Trustees Report (Using Intermediate Assumptions):

2010 OASDI expenditures exceeded income excluding interest and remained in excess thereafter.  
2021 OASDI expenditures projected to exceed total income and remain in excess thereafter.  
2034 OASI asset reserves are scheduled to be depleted. (At that time income would be sufficient to pay 76% of the OASI scheduled benefits.)  
2035 OASDI Trust Fund asset reserves are scheduled to be depleted. (At that time, current Social Security taxes would support about 79 % of the expected OASDI benefits, declining to 73% in 2093.)  
2065 DI Trust Fund asset reserves are scheduled to be depleted. (At that time, current Social Security taxes would support about 92% of the expected DI benefits.)

Estimated Long-Range Deficit: 3.21 percent of taxable payroll

Beneficiaries (by Sex) Receiving Social Security Benefits (as of 12/2019):

55% Women  
45% Men

Number of people receiving monthly benefits from SSA (as of 11/20):

OASDI Benefits only	62.2 million
SSI Benefits only	5.3 million
OASDI and SSI Benefits Concurrently	<u>2.7 million</u>
Total	70.2 million

Program Accuracy (FY 2019):

OASDI Program Dollar Accuracy Rate (Nonmedical Factors):

99.8% of payment outlays without an overpayment  
99.9% of payment outlays without an underpayment

SSI Program Dollar Accuracy Rate (Nonmedical Factors):

91.9% of payment outlays without an overpayment  
98.7% of payment outlays without an underpayment

Disability Determination Services (DDS) Accuracy Rate for Initial Disability Decisions (FY 2019):

97.3% - Overall decisional accuracy rate

**Resources/Contacts**

Social Security Information: 1-800-772-1213 TTY: 1-800-325-0778  
SSA Online: <https://www.socialsecurity.gov>  
Constituent Relations Staff: 410-965-3930  
Congressional Affairs Staff: 202-358-6030  
Medicare Info: 1-800-633-4227 TTY: 1-877-486-2048  
Medicare Online: <https://www.medicare.gov>