

TABLE 1-13 -- NUMBER OF SOCIAL SECURITY RETIRED WORKER
NEW BENEFIT AWARDS AND PERCENT RECEIVING REDUCED
BENEFITS BECAUSE OF ENTITLEMENT BEFORE FRA,
SELECTED YEARS 1956-2002

[Number in millions]

Year ¹	Total		Men		Women	
	Number	Percent	Number	Percent	Number	Percent
1956	0.9	12	0.6	NA	0.4	31
1960	1.0	21	0.6	NA	0.4	60
1965	1.2	49	0.7	43	0.4	60
1970	1.3	63	0.8	57	0.5	72
1975	1.5	73	0.9	69	0.6	79
1980	1.6	76	0.9	73	0.7	80
1985	1.7	74	1.0	70	0.7	79
1990	1.7	74	1.0	71	0.7	78
1995	1.6	72	0.9	69	0.7	75
2000	2.0	64	1.1	60	0.8	69
2001	1.8	69	1.0	86	0.8	72
2002	1.8	71	1.0	69	0.8	73

¹ As of December of given year; data for 1985-1990 based on a 1-percent sample; data for other years based on 100 percent. Includes conversions at age FRA (age 65-67, depending on year of birth) from disability to retirement rolls.

NA- Not applicable.

Source: Office of Research, Evaluation and Statistics, Social Security Administration.

TABLE 1-14 -- PERCENTAGE OF WORKERS ELECTING SOCIAL
SECURITY RETIREMENT BENEFITS AT VARIOUS AGES,
SELECTED YEARS 1940-2002¹

Year	Age 62	Ages 63-64	Age 65	Ages 66 and older	Average
1940	²	²	8.3	91.7	68.7
1945	²	²	17.9	82.1	70.0
1950	²	²	23.1	76.9	68.5
1955	²	²	41.2	58.8	68.2
1960	10.0	7.9	35.3	46.7	66.2
1965	23.0	17.7	23.4	35.9	65.9
1970	27.8	23.2	36.9	12.1	64.2
1975	35.7	24.5	31.1	8.7	63.9
1980	40.5	22.2	30.7	6.6	63.7
1985	57.2	21.1	17.7	4.0	63.6
1990	56.6	20.2	16.6	6.7	63.6
1995	58.3	19.5	16.3	6.0	63.6
2000	51.7	17.2	19.6	11.5	64.0
2001	55.4	21.2	17.8	17.8	63.7
2002	56.1	22.7	16.9	16.9	63.6

¹ The age distribution excludes conversions at age 65 to retirement rolls. Disability conversions are included in the computation of the average age. Age in year of award for 1970-1980. Age in month of award for 1985-2002

² Retirement before age 65 was not available.

Source: Social Security Administration.

TABLE 1-15 - EARNINGS HISTORIES FOR HYPOTHETICAL WORKERS
AGE 62 IN 2003

[Rounded to nearest dollar]

Year	Age	Average Wage Index	Nominal Earnings				Earnings Indexed for AIME Computation			
			Low ¹	Medium ²	High ³	Maximum ⁴	Low ¹	Medium ²	High ³	Maximum ⁴
1962	21	\$4,291	670	\$1,489	\$2,383	\$0	\$5,141 ⁵	\$11,425 ⁵	\$18,280 ⁵	\$0 ⁵
1963	22	4,397	817	1,816	2,906	4,800	6,121 ⁵	13,601 ⁵	21,762 ⁵	35,942 ⁵
1964	23	4,576	1,048	2,328	3,725	4,800	7,537 ⁵	16,749 ⁵	26,799 ⁵	34,531 ⁵
1965	24	4,659	1,245	2,766	4,426	4,800	8,796 ⁵	19,547 ⁵	31,276 ⁵	33,920 ⁵
1966	25	4,938	1,472	3,270	5,232	6,600	9,811 ⁵	21,801 ⁵	34,882 ⁵	43,999
1967	26	5,213	1,695	3,766	6,026	6,600	10,702 ⁵	23,783 ⁵	38,053 ⁵	41,678
1968	27	5,572	1,944	4,321	6,914	7,800	11,489	25,532	40,581	46,088
1969	28	5,894	2,179	4,842	7,747	7,800	12,171	27,047	43,276	43,570
1970	29	6,186	2,386	5,301	7,800	7,800	12,696	28,213	41,510	41,510 ⁵
1971	30	6,497	2,595	5,767	7,800	7,800	13,151	29,224	39,524	39,524 ⁵
1972	31	7,134	2,937	6,526	9,000	9,000	13,553	30,118	41,534	41,534
1973	32	7,580	3,197	7,104	10,800	10,800	13,885	30,856	46,906	46,906
1974	33	8,031	3,464	7,697	12,316	13,200	14,200	31,555	50,489	54,113
1975	34	8,631	3,796	8,436	13,497	14,100	14,480	32,177	51,484	53,783
1976	35	9,226	4,132	9,181	14,690	15,300	14,742	32,760	52,416	54,593
1977	36	9,779	4,452	9,893	15,829	16,500	14,987	33,304	53,287	55,546
1978	37	10,556	4,884	10,853	17,365	17,700	15,232	33,848	54,157	55,202
1979	38	11,479	5,372	11,938	19,101	22,900	15,407	34,237	54,779	65,675
1980	39	12,513	5,936	13,191	21,105	25,900	15,616	34,703	55,525	68,141
1981	40	13,773	6,599	14,665	23,463	29,700	15,774	35,053	56,085	70,992
1982	41	14,531	7,032	15,626	25,002	32,400	15,931	35,403	56,644	73,405
1983	42	15,239	7,463	16,585	26,537	35,700	16,124	35,830	57,328	77,124
1984	43	16,135	7,971	17,713	28,340	37,800	16,263	36,141	57,826	77,127
1985	44	16,823	8,382	18,626	29,802	39,600	16,403	36,452	58,323	77,498
1986	45	17,322	8,677	19,281	30,850	42,000	16,491	36,646	58,634	79,825
1987	46	18,427	9,250	20,555	32,887	43,800	16,526	36,724	58,758	78,256
1988	47	19,334	9,736	21,635	34,617	45,000	16,578	36,841	58,945	76,626
1989	48	20,100	10,143	22,539	36,063	48,000	16,613	36,918	59,069	78,621
1990	49	21,028	10,533	23,407	37,451	51,300	16,491	36,646	58,634	80,317
1991	50	21,812	10,856	24,125	38,599	53,400	16,386	36,413	58,261	80,601
1992	51	22,935	11,318	24,151	40,242	55,500	16,246	36,102	57,764	79,666
1993	52	23,133	11,268	24,040	40,063	57,600	16,036	35,636	57,017	81,975
1994	53	23,754	11,368	25,263	40,421	60,600	15,756	35,014	56,023	83,990
1995	54	24,706	11,575	25,722	41,155	61,200	15,424	34,276	54,841	81,553
1996	55	25,914	11,824	26,276	42,042	62,700	15,022	33,382	53,411	79,656
1997	56	27,426	12,077	26,838	42,941	65,400	14,497	32,216	51,546	78,506
1998	57	28,861	12,295	27,323	43,716	68,400	14,025	31,167	49,867	78,023
1999	58	30,470	12,511	27,802	44,484	72,600	13,518	30,040	48,064	78,443
2000	59	32,155	12,673	28,163	45,061	76,200	12,976	28,835	46,136	78,018
2001	60	32,922	12,329	27,397	43,836	80,400	12,329	27,397	43,836	80,400
2002	61	33,477 ⁶	11,736 ⁶	26,081 ⁶	41,729 ⁵	84,900	11,736 ⁶	26,081 ⁶	41,729 ⁵	84,900

¹ Worker with earnings equal to 45 percent of the Social Security average wage index.

² Worker with scaled earnings that average over their career to about 100 percent of the Social Security average wage index.

TABLE 1-15 - EARNINGS HISTORIES FOR HYPOTHETICAL WORKERS
AGE 62 IN 2003- continued
[Rounded to nearest dollar]

³ Worker with scaled earnings that average over their career to about 160 percent of the Social Security average wage index.

⁴ Worker with earnings each year equal to the Social Security maximum taxable earnings.

⁵ Dropout years.

⁶ Estimated years.

Source: Office of the Chief Actuary, Social Security Administration.

TABLE 1-16 - MONTHLY BENEFIT AMOUNTS CREDITED FOR
SELECTED BENEFICIARY FAMILIES WITH FIRST ELIGIBILITY IN
2003, FOR SELECTED WAGE LEVELS, DECEMBER 2003

Beneficiary family	Workers with		
	Federal minimum wage ¹	Average wage ²	Maximum taxable earnings ³
Retired-worker families: ⁴			
Average indexed monthly earnings	\$1,235.00	\$2,744.00	\$5,729.00
Primary insurance amount	763.70	1,257.70	1,873.90
Maximum family benefit	1,145.60	2,297.60	3,280.10
Monthly benefit credited:			
Retired worker claiming benefits at age 62:			
Worker alone	585.00	964.00	1,436.00
Worker with spouse claiming benefits at full retirement age	967.00	1,593.00	2,373.00
With spouse claiming benefits at age 62	859.00	1,415.00	2,108.00
Survivor families: ⁵			
Average indexed monthly earnings	1,165.00	2,590.00	6,720.00
Primary insurance amount	740.80	1,207.30	2,025.90
Maximum family benefit	1,111.20	2,230.10	3,546.10
Monthly benefit credited:			
Survivors of worker deceased at age 40			
One surviving child	555.00	905.00	1,519.00
Widowed mother or father an one child	1,110.00	1,810.00	3,038.00
Widowed mother or father and two children	1,110.00	2,229.00	3,546.00
Disabled worker families: ⁶			
Average indexed monthly earnings	1,250.00	2,778.00	6,535.00
Primary insurance amount	768.60	1,268.90	1,997.60
Maximum family benefit	1,086.90	1,903.30	2,996.30
Monthly benefit credited:			
Disabled worker age 50:			
Worker alone	768.00	1,268.00	1,997.00
Worker, spouse, and one child	1,086.00	1,902.00	2,995.00

¹ Worker assumed to begin work at age 21 with low scaled earnings.

² Worker assumed to begin work at age 21 with medium scaled earnings.

³ Worker assumed to begin work at age 22 with maximum taxable earnings.

⁴ Worker assumed to retire at age 62 in 2003 with maximum reduction and no prior disability.

⁵ Assumes the deceased worker began to work at age 22, died in 1999 at age 40, had no earnings in that year, and had no prior period of disability.

⁶ Assumes the worker became disabled in 2003 at age 50 and had no prior period of disability.

Source: Office of the Chief Actuary, Social Security Administration.

TABLE 1-17 -- SOCIAL SECURITY REPLACEMENT RATES FOR
HYPOTHETICAL WORKERS RETIRING AT FULL RETIREMENT
AGE (FRA), SELECTED YEARS 1940-2080

[In percent]

Year Attains FRA	Age at retirement (FRA) ²	Replacement rates ¹			
		Low earnings ³	Average earnings ⁴	High earnings ⁵	Maximum earnings ⁶
1940	65	27.9	23.4	17.3	16.4
1950	65	31.7	18.6	14.1	9.7
1960	65	46.3	28.3	24.1	16.1
1970	65	46.0	31.7	28.0	20.3
1980	65	66.0	48.6	47.7	40.6
1990	65	58.4	43.5	39.9	35.7
2000	65	52.2	38.7	33.3	28.6
2001	65	52.5	39.0	33.3	28.5
2002	65	55.0	40.8	34.5	29.5
2003	65 and 2 months	56.1	41.6	35.1	29.8
2004	65 and 4 months	56.3	41.7	35.0	29.5
2005	65 and 6 months	56.8	42.1	35.2	29.4
2006	65 and 8 months	56.4	41.8	34.9	29.0
2007	65 and 10 months	55.3	41.0	34.2	28.2
2009 ⁷	66	55.2	41.0	34.1	28.2
2010	66	55.4	41.1	34.1	28.1
2020	66	56.0	41.5	34.4	27.6
2030	67	55.3	41.0	34.0	27.3
2040	67	55.2	40.9	33.9	27.3
2050 ⁸	67	55.2	41.0	33.9	27.3
2060 ⁸	67	55.3	41.0	33.9	27.3
2070 ⁸	67	55.2	41.0	33.9	27.3
2080 ⁸	67	55.3	41.0	33.9	27.3

¹Total monthly benefits payable for year of entitlement at FRA expressed as percent of career average earnings for workers with scaled career earnings.

²FRA will rise from 65 starting with workers attaining age 62 in 2000 and ultimately will reach 67 for workers attaining age 62 in 2022 and later.

³Worker with scaled earnings that average over their career to about 45 percent of the Social Security average wage index.

⁴Worker with scaled earnings that average over their career to about 100 percent of the Social Security average wage index.

⁵Worker with scaled earnings that average over their career to about 160 percent of the Social Security average wage index.

⁶Worker with earnings each year equal to the Social Security maximum taxable earnings.

⁷Table assumes that workers are born on January 2. No worker born on January 2 attains FRA in 2008. A worker born on January 2, 1942 attains FRA of 65 and 10 months in November 2007. A worker born on January 2, 1943 attains FRA of 66 in January 2009.

⁸Based on benefits scheduled in present law.

Note- Projections are based on the intermediate assumption projection of the 2003 Trustees' Report.

Source: Office of the Chief Actuary, Social Security Administration.

1-51
BENEFIT ADJUSTMENTS

TABLE 1-18 -- SOCIAL SECURITY BENEFIT INCREASES FROM THE
BEGINNING OF THE PROGRAM THROUGH JANUARY 2004

[In percent]			
Date increase paid	Amount of increase	Date increase paid	Amount of increase
January 2004	2.1	January 1984	3.5
January 2003	1.4	July 1982	7.4
January 2002	2.6	July 1981	11.2
January 2001	3.5	July 1980	14.3
January 2000	2.4	July 1979	9.9
January 1999	1.3	July 1978	6.5
January 1998	2.1	July 1977	5.9
January 1997	2.9	July 1976	6.4
January 1996	2.6	July 1975 ¹	8.0
January 1995	2.8	April/July 1974 ²	11.0
January 1994	2.6	October 1972	20.0
January 1993	3.0	February 1971	10.0
January 1992	3.7	February 1970	15.0
January 1991	5.4	March 1968	13.0
January 1990	4.7	February 1965	7.0
January 1989	4.0	February 1959	7.0
January 1988	4.2	October 1954	13.0
January 1987	1.3	October 1952	12.5
January 1986	3.1	October 1950 ³	77.0
January 1985	3.5		

¹ Automatic cost-of-living adjustments (COLAs) began.

² Increase came in two steps.

³ First increase paid in October 1950.

Source: Social Security Administration.

TABLE 1-19 -- COMPARISON OF AVERAGE WAGE INCREASES TO
BENEFIT INCREASES AND CHANGES IN THE CPI, 1965-2002

Calendar year	[In percent]					
	Increase in wages ¹		Increase in CPI ²		Increase in benefits ³	
	Over prior year	Cumulative from each year to 2002	Over prior year	Cumulative from each year to 2002	Over prior year	Cumulative from each year to 2002
1965	1.8	618.6	1.6	454.8	7.0	572.5
1970	5.0	441.1	5.7	351.0	15.0	417.5
1975	7.5	287.9	9.1	225.1	8.0	227.0
1980	9.0	167.5	13.4	112.2	14.3	116.9
1981	10.1	143.1	10.3	92.4	11.2	95.1
1982	5.5	130.4	6.0	81.5	7.4	81.7
1983	4.9	119.7	3.0	76.2	3.5 ⁴	75.5
1984	5.9	107.5	3.5	70.3	3.5	69.6
1985	4.3	99.0	3.5	64.5	3.1	64.5
1986	3.0	93.3	1.6	61.9	1.3	62.4
1987	6.4	81.7	3.6	56.3	4.2	55.8
1988	4.9	73.1	4.0	50.3	4.0	49.8
1989	4.0	66.6	4.8	43.5	4.7	43.1

TABLE 1-19 -- COMPARISON OF AVERAGE WAGE INCREASES TO
BENEFIT INCREASES AND CHANGES IN THE CPI, 1965-2002-
continued
[In percent]

Calendar year	Increase in wages ¹		Increase in CPI ²		Increase in benefits ³	
	Over prior year	Cumulative from each year to 2002	Over prior year	Cumulative from each year to 2002	Over prior year	Cumulative from each year to 2002
1990	4.6	59.2	5.2	36.3	5.4	35.8
1991	3.7	53.5	4.1	31.0	3.7	30.9
1992	5.2	46.0	2.9	27.3	3.0	27.1
1993	0.9	44.7	2.8	23.8	2.6	23.9
1994	2.7	40.9	2.5	20.8	2.8	20.5
1995	4.0	35.5	2.9	17.4	2.6	17.5
1996	4.9	29.2	2.9	14.1	2.9	14.2
1997	5.8	22.1	2.3	11.6	2.1	11.8
1998	5.2	16.0	1.3	10.2	1.3	10.4
1999	5.6	9.9	2.2	7.7	2.5	7.7
2000	5.5	4.1	3.5	4.1	3.5	4.0
2001	2.4	1.7	2.7	1.4	2.6	1.4
2002	1.7 ⁵	--	1.4	--	1.4 ⁶	--

¹ Average annual wage used to index earnings records.

² Increase in annual average CPI-W.

³ Legislated benefit increases through 1975 and increases based on the CPI thereafter. After 1975, the CPI and benefit increases are different because they reflect the change in prices over different periods of time.

⁴ As a result of the Social Security Amendments of 1983, COLAs are provided on a calendar year basis, with the benefit increases payable in January rather than July. The July 1983 COLA was delayed to January 1984. This delay and a change in the computation period led to 6 months of 1983 (first quarter-third quarter) not being accounted for in any COLA increase--a period in which the CPI increased 2.4 percent.

⁵ Preliminary.

⁶ Effective December 2002 payable in January 2003.

NA- Not applicable.

Source: Office of the Chief Actuary, Social Security Administration.

TABLE 1-20 -- INCREASES IN FULL RETIREMENT AGE AND DELAYED RETIREMENT CREDITS WITH RESULTING BENEFIT, AS A PERCENT OF PRIMARY INSURANCE AMOUNT, PAYABLE AT SELECTED AGES, FOR PERSONS BORN IN 1924 OR LATER

Year of Birth	Age 62 attained in-	Full retirement age	Credit for each year of delayed retirement after full retirement age	Benefit, as a percent of PIA, beginning at age-						
				62	65	66	67	70		
1924	1986	65	3	80	100	103	106	115		
1925-26	1987-88	65	3 1/2	80	100	103 1/2	107	117 1/2		
1927-28	1989-90	65	4	80	100	104	108	120		
1929-30	1991-92	65	4 1/2	80	100	104 1/2	109	122 1/2		
1931-32	1993-94	65	5	80	100	105	110	125		
1933-34	1995-96	65	5 1/2	80	100	105 1/2	111	127 1/2		
1935-36	1997-98	65	6	80	100	106	112	130		
1937	1999	65	6 1/2	80	100	106 1/2	113	132 1/2		
1938	2000	65 and 2 months	6 1/2	79 1/6	98 8/9	105 5/12	111 11/12	131 5/12		
1939	2001	65 and 4 months	7	78 1/3	97 7/9	104 2/3	111 2/3	132 2/3		
1940	2002	65 and 6 months	7	77 1/2	96 2/3	103 1/2	110 1/2	131 1/2		
1941	2003	65 and 8 months	7 1/2	76 2/3	95 5/9	102 1/2	110	132 1/2		
1942	2004	65 and 10 months	7 1/2	75 5/6	94 4/9	101 1/4	108 3/4	131 1/4		
1943-54	2005-2016	66	8	75	93 1/3	100	108	132		
1955	2017	66 and 2 months	8	74 1/6	92 2/9	98 8/9	106 2/3	130 2/3		
1956	2018	66 and 4 months	8	73 1/3	91 1/9	97 7/9	105 1/3	129 1/3		
1957	2019	66 and 6 months	8	72 1/2	90	96 2/3	104	128		
1958	2020	66 and 8 months	8	71 2/3	88 8/9	95 5/9	102 2/3	126 2/3		
1959	2021	66 and 10 months	8	70 5/6	87 7/9	94 4/9	101 1/3	125 1/3		
1960 or later	2022 or later	67	8	70	86 2/3	93 1/3	100	124		

Source: Ballantyne, H.C. (1984).

TABLE 1-21 -- WINDFALL BENEFIT FORMULA FACTOR

Years of Social Security Substantial Covered Earnings ¹	First factor in formula (percent)
20 or fewer	40
21	45
22	50
23	55
24	60
25	65
26	70
27	75
28	80
29	85
30 or more	90

¹\$16,275 in 2004.

Source: Social Security Administration.

EFFECT OF CURRENT EARNINGS AND TAXATION OF BENEFITS

TABLE 1-22 -- ANNUAL EARNINGS EXEMPT FROM THE EARNINGS LIMIT, SELECTED CALENDAR YEARS 1975-2012

Year	Under FRA	FRA and over ¹
1975	\$2,520	\$2,520
1980	3,720	5,000
1985	5,400	7,320
1990	6,840	9,360
1991	7,080	9,720
1992	7,440	10,200
1993	7,680	10,560
1994	8,040	11,160
1995	8,160	11,280
1996	8,280	12,500
1997	8,640	13,500
1998	9,120	14,500
1999	9,600	15,500
2000	10,080	17,000
2001	10,680	25,000
2002	11,280	30,000
2003	11,520	30,720
2004	11,640	31,080
2005	12,120 ²	32,400 ²
2006	12,720 ²	33,720 ²
2007	13,200 ²	35,160 ²
2008	13,800 ²	36,720 ²
2009	14,400 ²	38,280 ²
2010	15,000 ²	39,960 ²
2011	15,600 ²	41,520 ²
2012	16,320 ²	43,320 ²

¹ In 1955-1982, retirement earnings test did not apply at ages 72 and older; beginning in 1983, it does not apply at ages 70 and older. Beginning in 2000, it no longer applies to persons at the FRA, but during the year a person reaches the FRA the annual exempt amounts shown apply for months preceding the attainment of the FRA. Amounts for 1978-1982 specified by Public Law 95-216; for 1996-2002, Public Law 104-121. After 2003, the annual exempt amount is indexed to average wage growth.

² Based on the 2003 Annual Report of the Board of Trustees of the Federal OASDI Trust Funds.

Note- FRA = Full retirement age (age 65-67, depending on year of birth).

Source: Office of Chief Actuary, Social Security Administration.

TABLE 1-23 -- NUMBER OF RETIRED WORKERS WITH
EARNINGS IN 2000¹

Total earnings	Ages 62-64	Ages 65-69
\$1-4,999	286,600	871,900
5,000-9,999	203,500	498,300
10,000-14,999	90,400	332,600
15,000-19,999	22,900	200,900
20,000-24,999	1,000	101,700
25,000-29,999	6,900	64,500
30,000-34,999	3,300	48,200
35,000-39,999	2,500	32,300
40,000-44,999	700	24,100
45,000-49,999	1,600	19,900
50,000-54,999	1,100	16,400
55,000-59,999	900	14,100
60,000-64,999	700	10,900
65,000-69,000	300	8,900
70,000-74,999	400	8,100
75,000-79,999	500	7,300
80,000-84,999	400	5,100
85,000-89,999	400	5,600
90,000-94,999	²	4,400
95,000-99,999	²	3,400
100,000+	1,700	42,800
Total	636,000	2,321,400

¹ Includes retired workers entitles to Social Security benefits as of December 31, 1999

² Fewer than 300 workers.

Source: Office of Research, Evaluation and Statistics, Social Security Administration; 2000 1 percent Continuous Work History Sample.

TABLE 1-24 -- MONTHLY SUBSTANTIAL GAINFUL ACTIVITY (SGA)
AMOUNTS SINCE 1968

Year	SGA amounts for nonblind beneficiaries	SGA amounts for blind beneficiaries
1968-73	\$140	\$140
1974-75	200	200
1976	230	230
1977	240	240
1978	260	334
1979	280	375
1980	300	417
1981	300	459
1982	300	200
1983	300	550
1984	300	580
1985	300	610
1986	300	650
1987	300	680
1988	300	700
1989	300	740
1990	500	780
1991	500	810
1992	500	850
1993	500	880
1994	500	930
1995	500	940
1996	500	960
1997	500	1,000
1998	500	1,050
1999 ¹	500 ¹	1,100
July 1999	700 ²	1,110
2000	700	1,170
2001	740	1,240
2002	780	1,300
2003	800	1,330
2004	810	1,350

¹ Through June 30, 1999.

² July 1, 1999 and later.

Note- SGA amounts for nonblind and blind beneficiaries are indexed to increases in the average wage level. Before 1978, SGA levels for blind beneficiaries were the same as those for nonblind beneficiaries.

Source: Office of Research, Evaluation and Statistics, Social Security Administration.

TABLE 1-25 -- EFFECT OF TAXING SOCIAL SECURITY BENEFITS BY INCOME CLASS UNDER 2003 LAW
(2000 POPULATION AND INCOMES)

[Number of persons in thousands; dollars in millions]

Level of individual or couple income ¹	Persons age 65 and older			All recipients			Aggregate amount of Social Security benefits	Aggregate amount of taxes on benefits	Taxes as a percent of benefits
	Number	Number affected by taxation ²	Percent affected by taxation ²	Number of Social Security beneficiaries ³	Number affected by taxation ³	Percent affected by taxation ³			
Less than \$10,000	6,071	0	0	7,157	2	0	\$44,745	\$0	0
\$10,000-\$15,000	3,838	5	0	4,845	7	0	44,827	2	0
\$15,000-\$20,000	2,805	6	0	3,509	12	0	31,887	4	0
\$20,000-\$25,000	2,632	13	0	3,439	22	1	33,025	14	0
\$25,000-\$30,000	2,294	282	12	2,854	360	13	27,332	48	0
\$30,000-\$40,000	4,328	1,840	43	5,225	2,237	43	49,036	650	1
\$40,000-\$50,000	3,361	3,050	91	3,918	3,598	92	39,011	1,948	5
\$50,000-\$100,000	5,793	5,526	95	6,705	6,608	99	72,224	9,424	13
Over \$100,000	2,569	2,479	96	2,737	2,723	100	35,351	7,386	23
All	33,692	13,200	39	40,390	15,569	39	374,438	19,476	5

¹ Cash income (based on income of tax filing unit) plus capital gains realizations.

² Some elderly individuals do not receive Social Security benefits and thus are not affected by taxation of benefits.

³ Includes beneficiaries under and over age 65.

Note- Aggregate benefits and revenues are understated by about 10 percent because of benefits paid abroad, deaths of recipients before March interview, and exclusion of institutionalized beneficiaries. The number of beneficiaries is also understated.

Source: Congressional Budget Office simulations based on data from the Current Population Survey.

TABLE 1-26 -- TAXATION OF OLD-AGE, SURVIVORS, AND
DISABILITY INSURANCE (OASDI) BENEFITS BY TRUST FUNDS
CREDITED AND AS A PERCENTAGE OF TOTAL OASDI BENEFIT
PAYMENTS, SELECTED FISCAL YEARS 1984-2008

[Dollars in millions]

Fiscal year	Total OASDI benefits	Taxes credited to trust funds from the taxation of OASDI benefits			Taxes credited to trust funds as percent of OASDI benefits		
		OASDI	Hospital insurance (HI)	Total	OASDI	HI	Total
1984	\$173,603	\$2,275	--	\$2,275	1.3	--	1.3
1987	202,430	3,307	--	3,307	1.6	--	1.6
1990	243,275	3,081	--	3,081	1.3	--	1.3
1993	298,176	6,161	--	6,161	2.1	--	2.1
1994	313,129	5,656	\$1,625	7,281	1.8	0.5	2.3
1995	328,841	5,449	3,883	9,332	1.7	1.2	2.8
1996	343,235	6,155	4,039	10,194	1.8	1.2	3.0
1997	358,281	6,862	3,541	10,403	1.9	1.0	2.9
1998	371,875	9,121	5,036	14,157	2.5	1.4	3.8
1999	382,843	10,803	6,498	17,301	2.8	1.7	4.5
2000	402,109	13,232	8,711	21,943	3.3	2.2	5.5
2001	425,812	12,503	7,489	19,992	2.9	1.8	4.7
2002	448,147	13,533	8,262	21,795	3.0	1.8	4.9
2003 ¹	465,880	13,865	6,268	20,133	3.0	1.3	4.3
2004 ¹	484,947	13,330	7,861	21,191	2.7	1.6	4.4
2005 ¹	507,972	14,408	8,888	23,296	2.8	1.7	4.6
2006 ¹	532,647	15,398	9,614	25,012	2.9	1.8	4.7
2007 ¹	561,210	16,809	10,452	27,261	3.0	1.9	4.9
2008 ¹	594,395	18,488	11,662	30,150	3.1	2.0	5.1

¹ Projected based on intermediate assumptions in the 2003 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds. Note- Tax amounts are the amounts collected through the Federal income tax system (including adjustments for actual experience in prior years) plus, for OASDI only, taxes withheld from the OASDI benefits of certain nonresident aliens.

Source: Office of the Chief Actuary, Social Security Administration.

TABLE 1-27 -- WORKSHEET FOR DETERMINING THE TAXABLE
PORTION OF SOCIAL SECURITY BENEFITS

1. Enter yearly Social Security benefits	_____
2. Multiply line 1 by 0.50	_____
3. Enter adjusted gross income plus tax-free interest	_____
4. Add line 2 and line 3	_____
5. Enter: \$25,000 if single or head of household; \$32,000 if married filing jointly; \$0 if married filing separately	_____
6. Subtract line 5 from line 4 (If result on line 6 is zero or a negative number, stop; no benefits are taxable.)	_____
7. Divide line 6 by 2	_____
8. Enter smaller of amounts on line 2 or line 7	_____
9. Enter amount on line 4	_____

TABLE 1-27 -- WORKSHEET FOR DETERMINING THE TAXABLE
PORTION OF SOCIAL SECURITY BENEFITS- continued

10. Enter: \$34,000 if single or head of household; \$44,000 if married filing jointly; \$0 if married filing separately	_____
11. Subtract line 10 from line 9	_____
12. Multiply line 11 by 0.85	_____
13. Enter smallest of: amount on line 8; \$4,500 if single or head of household; \$6,000 if married filing jointly; \$0 if married filing separately	_____
14. Add amounts on line 12 and line 13	_____
15. Multiply line 11 by 0.85	_____
16. Enter smaller of amounts on line 14 or line 15 (The amount on line 16 is the total amount of benefits taxable.)	_____

Source: Congressional Research Service.

TRUST FUND AND RELATED DATA

TABLE 1-28 -- ESTIMATED OPERATIONS OF THE COMBINED OASI
AND DI TRUST FUNDS, IN CURRENT DOLLARS,
SELECTED CALENDAR YEARS 2003-2040

[In billions]

Calendar year	Tax income	Interest income	Total income	Outgo	End of year balance
2003	\$555	\$88	\$643	\$478	\$1,543
2005	617	109	726	522	1,927
2010	801	187	988	691	3,245
2015	1,019	281	1,299	965	4,874
2020	1,281	373	1,653	1,375	6,418
2025	1,604	434	2,038	1,916	7,373
2030	2,006	436	2,442	2,574	7,260
2035	2,508	349	2,857	3,330	5,610
2040	3,126	147	3,273	4,195	1,953

Source: Board of Trustees (2003; intermediate assumptions).

TABLE 1-29 -- ESTIMATED OPERATIONS OF THE COMBINED OASI
AND DI TRUST FUNDS, IN CONSTANT 2003 DOLLARS,
SELECTED CALENDAR YEARS 2003-2040

[In billions]

Calendar year	Tax income	Interest income	Total income	Outgo	End of year balance
2003	\$555	\$88	\$643	\$478	\$1,543
2005	587	104	691	497	1,833
2010	658	154	811	568	2,664
2015	722	199	920	683	3,452
2020	783	228	1,010	840	3,921
2025	845	229	1,074	1,010	3,885
2030	912	198	1,110	1,170	3,300
2035	983	137	1,120	1,306	2,200
2040	1,057	50	1,107	1,419	661

Source: Board of Trustees (2003; intermediate assumptions).