

VI. ACTUARIAL ESTIMATES

Section 201(c)(2) of the Social Security Act requires the Board of Trustees to report annually to the Congress on the operations and status of the OASI and DI Trust Funds during the preceding fiscal year and on the expected operations and status of those trust funds during the ensuing 5 fiscal years. Such information for the fiscal year that ended September 30, 1984, is presented in the preceding section of this report. Estimates of the operations and status of the trust funds during fiscal years 1985-89 are presented in this section. Similar estimates for calendar years 1985-89 are also presented.

In the short range, the adequacy of the trust fund level is often measured by the "contingency reserve trust fund ratio," which is defined to be the assets at the beginning of the year, including advance tax transfers for January and amounts owed to other trust funds, expressed as a percentage of the outgo during the year. Thus, this ratio represents the proportion of the year's outgo which is available at the beginning of the year. The primary purpose of the trust funds is to act as contingency reserves. During periods when outgo temporarily exceeds income, as might happen during an economic recession, trust fund assets are used to meet the shortfall. In the event of recurring shortfalls for an extended period, the trust funds can allow sufficient time for the development of legislation to restore financial balance to the program. Although there is no general agreement regarding the appropriate size of the trust funds, each of them should be at least large enough to accomplish these purposes. When either trust fund is not this large, its future financing—to be considered adequate—must provide for rebuilding the fund within a reasonable period of time, without significant declines in the interim.

Section 201(c) of the Act also requires that the annual report include "a statement of the actuarial status of the Trust Funds." Such statements have customarily been made for the medium-range period (25 years) and the long-range period (75 years), each period commencing with the calendar year of issuance of the report. The statement of the long-range actuarial status has customarily included the actuarial status during the second and third 25-year subperiods of the long-range projection period. Statements of the current actuarial status are presented in this section. The methods used to estimate the actuarial status are described in Appendix A.

Basic to the discussion of the medium-range or long-range actuarial status are the concepts of "cost rate" and "total income rate," each of which is expressed as a percentage of taxable payroll. The OASDI taxable payroll consists of the total earnings which are subject to OASDI taxes, adjusted to include, after 1982, deemed wages based on military service, and to reflect the lower effective tax rates (as compared to the combined employee-employer rate) which apply to tips and to multiple-employer "excess wages," and which did apply, before 1984, to net earnings from self-employment. The cost rate is the ratio of the cost (or outgo or disbursements) of the program to the taxable payroll. In this context, the outgo is defined to include benefit payments, administrative expenses, net transfers under the financial interchange between the trust funds and the Railroad Retirement Account, and payments for vocation-

APPENDIX C

Federal Register / Vol. 49, No. 212 / Wednesday, October 31, 1984

**DEPARTMENT OF HEALTH AND
HUMAN SERVICES**

Office of the Secretary

**Cost-of-Living Increase in Benefits
Under Titles II and XVI for 1985;
Average of the Total Wages for 1983;
Contribution and Benefit Base, Quarter
of Coverage Amount, Retirement
Earnings Test Exempt Amounts, and
Formulas for Computing Benefits for
1985; Old-Age, Survivors, and
Disability Insurance (OASDI) Fund
Ratio for 1984; and Tables of Benefit
Amounts for 1985**

AGENCY: Social Security Administration,
HHS.

ACTION: Notice.

SUMMARY: The Secretary has
determined—

(1) A 3.5 percent cost-of-living
increase in benefits under title II
(section 215(i)) of the Social Security Act
(the Act);

(2) An increase in Federal SSI (title
XVI) benefits for 1985 to \$3,900 for an
eligible individual, \$5,856 for an eligible
individual with an eligible spouse, and
\$1,956 for an essential person (section
1617 of the Act);

(3) The average of the total wages for
1983 to be \$15,239.24;

(4) The Social Security contribution
and benefit base to be \$39,600 for
remuneration paid in 1985 and self-
employment income earned in taxable
years beginning in 1985;

(5) The amount of earnings a person
must have to be credited with a quarter
of coverage in 1985 to be \$410; and

(6) The monthly exempt amount under
the Social Security retirement earnings
test for taxable years ending in calendar
year 1985 to be \$610 for beneficiaries
age 65 through 69 and \$450 for
beneficiaries under age 65.

We also describe the computation of
benefits for a worker and the worker's
family who first become eligible for
benefits in 1985, and the computation of
the OASDI fund ratio used in the

determination of an automatic increase
of benefits under titles II and XVI.

Finally, we are publishing two tables
of OASDI benefit amounts. The first
table reflects: (a) The automatic benefit
increase, and (b) the new higher average
monthly wage and related benefit
amounts made possible by the higher
contribution and benefit base. This table
will be used primarily to compute the
retirement benefits of workers who
attained age 62, became disabled or died
before 1979, and to compute the related
maximum family benefit increase. The
second table provides the range of
primary insurance amounts and the
corresponding maximum family benefits
under the "special minimum benefit"
provision, as revised to reflect the
automatic benefit increase. These
benefits are payable to certain
individuals with long periods of
relatively low earnings.

FOR FURTHER INFORMATION CONTACT:

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3882.

SUPPLEMENTARY INFORMATION: The
Secretary is required by the Act to
publish within 45 days after the close of
the third calendar quarter of 1984 the
benefit increase percentage and the
tables of benefits (section 215(i)(2)(D)).
Also, the Secretary is required to
publish before November 1 the average
of the total wages for 1983 (section
215(i)(2)(C)(iii)) and the OASDI fund
ratio for 1984 (section 215(i)(2)(C)(iii)).
Finally, the Secretary is required to
publish on or before November 1 the
contribution and benefit base for 1985
(section 230(a)), the amount of earnings
required to be credited with a quarter of
coverage in 1985 (section 213(d)(2)), the
monthly exempt amounts under the
Social Security retirement earnings test
for 1985 (section 203(f)(8)(A)), the
formula for computing a primary
insurance amount for workers who first

become eligible for benefits or die in 1985 (section 215(a)(1)(D)), and the formula for computing the maximum amount of benefits payable to the family of a worker who first becomes eligible for old-age benefits or dies in 1985 (section 203(a)(2)(C))

Cost-of-Living Increases

General

The cost-of-living increase is 3.5 percent for benefits under titles II and XVI of the Social Security Act.

Under title II, old-age survivors, and disability insurance benefits will increase by 3.5 percent beginning with the December 1984 benefits, which are payable on January 3, 1985. The kinds of benefits payable to individuals entitled under this program are old-age, disability, wife's, husband's, child's, widow's, widower's, mother's, father's, and parent's insurance benefits. This increase is based on the authority contained in section 215(i) of the Act (42 U.S.C. 415(i)), as amended by section 201 of Pub. L. 95-216 enacted December 20, 1977, and sections 111 and 112 of Pub. L. 98-21 enacted April 20, 1983.

Under title XVI, Federal SSI payment levels will also increase by 3.5 percent effective for payments made for the month of January 1985 but paid on December 31, 1984. This is based on the authority contained in section 1617 of the Act (42 U.S.C. 1382f), as amended by section 182 of Pub. L. 97-248 enacted September 3, 1982, and as further amended by section 401 of Pub. L. 98-21, enacted April 20, 1983. The percentage increase effective January 1985 is the same as the title II benefit increase and the annual payment amount is rounded, when not a multiple of \$12, to the next lower multiple of \$12.

Automatic Benefit Increase Computation

Under section 215(i) of the Act, the third calendar quarter of 1984 is a cost-of-living computation quarter for all the purposes of the Act. The Secretary is therefore required to increase benefits, effective with December 1984, for individuals entitled under section 227 or

228 of the Act, to increase primary insurance amounts of all other individuals entitled under title II of the Act, and to increase maximum benefits payable to a family. For 1984, the benefit increase is the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the third quarter of 1984 over the index for the third quarter of 1983. Automatic benefit increases may be modified by a "stabilizer" provision under certain adverse financial conditions that are described in the section on the OASDI fund ratio. The December 1984 benefit increase is not affected by this provision.

Section 215 (i)(1) of the Act provides that the Consumer Price Index for a cost-of-living computation quarter shall be the arithmetical mean of this index for the 3 months in that quarter. The Department of Labor's revised Consumer Price Index for Urban Wage Earners and Clerical Workers for each month in the quarter ending September 30, 1983, was: for July 1983, 298.2; for August 1983, 299.5; and for September 1983, 300.8. The arithmetical mean for this calendar quarter is 299.5. The corresponding Consumer Price Index for each month in the quarter ending September 30, 1984, was for July 1984, 307.5; for August 1984, 310.3; and for September 1984, 312.1. The arithmetical mean for this calendar quarter is 310.0. Thus, because the Consumer Price Index for the calendar quarter ending September 30, 1984 exceeds that for the calendar quarter ending September 30, 1983 by 3.5 percent, a cost-of-living benefit increase of 3.5 percent is effective for benefits under title II of the Act beginning December 1984.

Title II Benefit Amounts

In accordance with section 215(i)(4) of the Act, the primary insurance amounts and the maximum family benefits shown in columns IV and V of the revised benefit table (table 1) were obtained by increasing by 3.5 percent the corresponding amounts established by:

- (1) The last cost-of-living increase;
- (2) The extension of the benefit table made

under section 215(i)(4) and published on November 1, 1983 at 48 FR 50414; and by extending the table due to the increase in the contribution and benefit base for 1985, as described below. The table applies only to those persons who attained age 62, became disabled or died before January 1979 and is deemed to appear in section 215(a) of the Act. Note that this table does not apply to those individuals who become eligible (i.e., reach age 62, or become disabled) or die after 1978; their benefits will generally be determined by a benefit formula provided by the Social Security Amendments of 1977 (Pub. L. 95-216), as described below. For persons who first become eligible for benefits or who die before age 62 in the period 1979-1984, the 3.5 percent increase will apply beginning with benefits for December 1984 and will be included in checks received in January 1985; but the 3.5 percent increase will not apply for persons who first become eligible for benefits or die after 1984.

Section 215(i)(2)(D) of the Act also requires that, when the Secretary determines an automatic increase in Social Security benefits, the Secretary shall publish in the **Federal Register** a revision of the range of the primary insurance amounts and corresponding maximum family benefits based on the dollar amount and other provisions described in section 215(a)(1)(C)(i). These benefits are referred to as "special minimum benefits" and are payable to certain individuals with long periods of relatively low earnings. In accordance with section 215(a)(1)(C)(i), the attached table 2 shows the revised range of primary insurance amounts and corresponding maximum family benefit amounts after the 3.5 percent benefit increase.

Section 227 of the Act as amended by section 304 of Pub. L. 98-21 provides flat-rate benefits to a worker who became age 72 before 1969 and was not insured under the usual requirements, and to his or her spouse or surviving spouse. Section 228 of the Act (also as amended by Pub. L. 98-21) provides

similar benefits at age 72 for certain uninsured persons. The current monthly benefit amount of \$129.90 for an individual under sections 227 and 228 of the Act is increased by 3.5 percent to obtain the new amount of \$134.40. The present monthly benefit amount of \$65.20 for a spouse under section 227 is increased by 3.5 percent to \$67.40.

Title XVI Benefit Amounts

In accordance with section 1617 of the Act, Federal benefit rates for the aged, blind, and disabled are increased by 3.5 percent effective January 1985. Therefore, the yearly Federal SSI rates of \$3,768.00 for an eligible individual, \$5,664.00 for an eligible individual with an eligible spouse and \$1,884.00 for an essential person, which are effective January 1984, are increased, effective with January 1985, to \$3,900.00, \$5,856.00, and \$1,956.00 respectively after rounding. The monthly payment amount is determined by dividing the yearly guarantee by 12, and subtracting monthly countable income. In the case of an eligible individual with an eligible spouse, the amount payable is further divided equally between the two spouses.

Average of the Total Wages for 1983

The determination of the average wage figure for 1983 is based on the 1982 average wage figure of \$14,531.34 announced in the **Federal Register** on November 1, 1983 (48 FR 50414), along with the percentage increase in average wages from 1982 to 1983 measured by annual wage data tabulated by the Internal Revenue Service (IRS). The average amounts of wages calculated directly from IRS data were \$14,923.19 and \$15,650.18 for 1982 and 1983, respectively. To determine an average wage figure for 1983 at a level that is consistent with the series of average wages for 1951-1977 (published December 29, 1978, at 43 FR 61016), we multiplied the 1982 average wage figure of \$14,531.34 by the percentage increase in average wages from 1982 to 1983 (based on IRS data) as follows (with the

result rounded to the nearest cent):
 Average wage for 1983 = $\$14,531.34 \times$
 $\$15,650.18 \div \$14,923.19 = \$15,239.24$.
 Therefore, the average wage for 1983 is
 determined to be $\$15,239.24$.

Contribution and Benefit Base

General

The contribution and benefit base is $\$39,600$ for remuneration paid in 1985 and self-employment income earned in taxable years beginning in 1985.

The contribution and benefit base serves two purposes:

(1) It is the maximum annual amount of earnings on which Social Security taxes are paid.

(2) It is the maximum annual amount used in figuring a person's Social Security benefits.

Computation

Section 230(c) of the Act provides a table with the contribution and benefit base for each year 1978, 1979, 1980, and 1981. For years after 1981, section 230(b) of the Act contains a formula for determining the contribution and benefit base. Under the prescribed formula, the contribution and benefit base for 1985 shall be equal to the 1984 base of $\$37,800$ multiplied by the ratio of: (1) The average amount, per employee, of total wages for the calendar year 1983 to (2) the average amount of those wages for the calendar year 1982. Section 230(b) further provides that if the amount so determined is not a multiple of $\$300$, it shall be rounded to the nearest multiple of $\$300$.

Average Wages

The average wage for calendar year 1982 was previously determined to be $\$14,531.34$. The average wage for calendar year 1983 has been determined to be $\$15,239.24$, as stated herein.

Amount

The ratio of the average wage for 1983, $\$15,239.24$, compared to that for 1982, $\$14,531.34$, is 1.0487154. Multiplying the 1984 contribution and benefit base of $\$37,800$ by the ratio 1.0487154 produces

the amount of $\$39,641.44$ which must then be rounded to $\$39,600$. Accordingly, the contribution and benefit base is determined to be $\$39,600$ for 1985.

Quarter of Coverage Amount

General

The 1985 amount of earnings required for a quarter of coverage is $\$410$. A quarter of coverage is the basic unit for determining whether a worker is insured under the Social Security program. For years before 1978, an individual generally was credited with a quarter of coverage for each quarter in which wages of $\$50$ or more were paid, or for which $\$100$ or more of self-employment income were credited, to the individual. Beginning in 1978, wages generally are no longer reported on a quarterly basis; instead, annual reports are made. With the change to annual reporting, section 352(b) of the Social Security Amendments of 1977 (Pub. L. 95-216) amended section 213(d) of the Act to provide that a quarter of coverage would be credited for each $\$250$ of an individual's total wages and self-employment income for calendar year 1978 (up to a maximum of 4 quarters of coverage for the year). Section 213(d) also provides that this amount shall be redetermined each year and any change published in the *Federal Register* no later than November 1 of the year preceding the year for which the change is effective.

Computation

Under the prescribed formula, the quarter of coverage amount for 1985 shall be equal to the 1978 amount of $\$250$ multiplied by the ratio of: (1) The average amount, per employee, of total wages for calendar year 1983 to (2) the average amount of those wages reported for calendar year 1976. The section further provides that if the amount so determined is not a multiple of $\$10$, it shall be rounded to the nearest multiple of $\$10$.

Average Wages

The average wage for calendar year 1976 was previously determined to be

\$9,226.48. This was published in the **Federal Register** on December 29, 1978, at 43 FR 61016. The average wage for calendar year 1983 has been determined to be \$15,239.24 as stated herein.

Quarter of Coverage Amount

The ratio of the average wage for 1983, \$15,239.24, compared to that for 1976, \$9,226.48 is 1.651685. Multiplying the 1978 quarter of coverage amount of \$250 by the ratio of 1.651685 produces the amount of \$412.92 which must then be rounded to \$410. Accordingly, the quarter of coverage amount is determined to be \$410 for 1985.

Retirement Earnings Test Exempt Amounts

(a) Beneficiaries Aged 70 or Over

Beginning with months after December 1982, there is no limit on the amount an individual aged 70 or over may earn and still receive Social Security benefits. The age at which the retirement test ceases to apply is reduced from age 72 to age 70 by Pub. L. 97-35, which amended section 203(c)(1) of the Act.

(b) Beneficiaries Aged 65 through 69.—The retirement earnings test monthly exempt amount for beneficiaries aged 65 through 69 is stated in the Act at section 203(f)(8)(D) for years 1978 through 1982. A formula is provided in section 203(f)(8)(B) for computing the exempt amount applicable for years after 1982. The monthly exempt amount for 1984 was determined by this formula to be \$580. Under the formula, the exempt amount for 1985 shall be the 1984 exempt amount multiplied by the ratio of: (1) The average amount, per employee, of the total wages for calendar year 1983 to (2) the average amount of those wages for calendar year 1982. This section further provides that if the amount so determined is not a multiple of \$10, it shall be rounded to the nearest multiple of \$10.

Average Wages

Average wages for this purpose are

determined in the same way as for the contribution and benefit base. Therefore, the ratio of the average wages for 1983, \$15,239.24 compared to that for 1982, \$14,531.34, is 1.0487154.

Exempt Amount for Beneficiaries Aged 65 Through 69

Multiplying the 1984 retirement earnings test monthly exempt amount of \$580 by the ratio of 1.0487154 produces the amount of \$608.25. This must then be rounded to \$610. The retirement earnings test monthly exempt amount for beneficiaries aged 65 through 69 is determined to be \$610 for 1985. The corresponding retirement earnings test annual exempt amount for these beneficiaries is \$7,320.

(c) Beneficiaries Under Age 65

Section 203 of the Act provides that beneficiaries under age 65 have a lower retirement earnings test monthly exempt amount than those beneficiaries aged 65 through 69. The exempt amount for beneficiaries under age 65 is determined by a formula provided in section 203(f)(8)(B) of the Act. Under the formula, the monthly exempt amount for beneficiaries under age 65 is \$430 for 1984. The formula provides that the exempt amount for 1985 shall be the 1984 exempt amount for beneficiaries under age 65 multiplied by the ratio of (1) the average amount, per employee, of the total wages for calendar year 1983 to (2) the average amount of those wages for calendar year 1982. The section further provides that if the amount so determined is not a multiple of \$10, it shall be rounded to the nearest multiple of \$10.

Average Wages

Average wages for this purpose are determined in the same way as for the contribution and benefit base. Therefore, the ratio of the average wages for 1983, \$15,239.24, compared to that of 1982, \$14,531.34, is 1.0487154.

Exempt Amount for Beneficiaries Under Age 65.

Multiplying the 1984 retirement

earnings test monthly exempt amount of \$430 by the ratio 1.0487154 produces the amount of \$450.95. This must then be rounded to \$450. The retirement earnings test monthly exempt amount for beneficiaries under age 65 is determined to be \$450 for 1985. The corresponding retirement earnings test annual exempt amount for these beneficiaries is \$5,400.

Computing Benefits After 1978

The Social Security Amendments of 1977 changed the formula for determining an individual's primary insurance amount after 1978. This basic new formula is based on "wage indexing" and was fully explained with interim regulations and final regulations published in the *Federal Register* on December 29, 1978 (43 FR 60877) and July 15, 1982 (47 FR 30731) respectively. It generally applies when a worker after 1978 attains age 62, becomes disabled, or dies before age 62. This formula uses the worker's earnings after they have been adjusted, or "indexed," in proportion to the increase in average wages of all workers. Using this method, we determine the worker's "average indexed monthly earnings." We then compute the primary insurance amount, using the worker's "average indexed monthly earnings." The computation formula is adjusted automatically each year to reflect changes in general wage levels.

Average Indexed Monthly Earnings

To assure that a worker's future benefits reflect the general rise in the standard of living that occurs during his or her working lifetime, we adjust or "index" the worker's past earnings to take into account the change in general wage levels that has occurred during the worker's years of employment. These adjusted earnings are then used to compute the worker's primary insurance amount.

For example, to compute the average indexed monthly earnings for a worker attaining age 62, becoming disabled, or dying before attaining age 62, in 1985,

we divide the average of the total wages for 1983, \$15,239.24, by the average of the total wages for each year prior to 1983 in which the worker had earnings. We then multiply the actual wages and self-employment income as defined in section 211(b) of the Act credited for each year by the corresponding ratio to obtain the worker's adjusted earnings for each year. After determining the number of years we must use to compute the primary insurance amount, we pick those years with highest indexed earnings, total those indexed earnings and divide by the total number of months in those years. This figure is rounded down to the next lower dollar amount, and becomes the average indexed monthly earnings figure to be used in computing the worker's primary insurance amount for 1985.

Computing the Primary Insurance Amount

The primary insurance amount is the sum of three separate percentages of portions of the average indexed monthly earnings. In 1979 (the first year the formula was in effect), these portions were the first \$180, the amount between \$180 and \$1,085, and the amount over \$1,085. The amounts for 1985 are obtained by multiplying the 1979 amounts by the ratio between the average of the total wages for 1983, \$15,239.24, and for 1977, \$9,779.44. These results are then rounded to the nearest dollar. For 1985, the ratio is 1.558294. Multiplying the 1979 amounts of \$180 and \$1,085 by 1.558294 produces the amounts of \$280.49 and \$1,690.75. These must then be rounded to \$280 and \$1,691. Accordingly, the portions of the average indexed monthly earnings to be used in 1985 are determined to be the first \$280, the amount between \$280 and \$1,691, and the amount over \$1,691.

Consequently, for individuals who first become eligible for old-age insurance benefits or disability insurance benefits in 1985, or who die in 1985 before becoming eligible for benefits, we will compute their primary insurance amount by adding the following:

(a) 90 percent of the first \$280 of their average indexed monthly earnings, plus

(b) 32 percent of the average indexed monthly earnings over \$280 and through \$1,691, plus

(c) 15 percent of the average indexed monthly earnings over \$1,691.

This amount is then rounded to the next lower multiple of \$.10 if it is not already a multiple of \$.10. This formula and the adjustments we have described are contained in section 215(a) of the Act (42 U.S.C. 415(a)) as amended by Pub. L. 97-35.

Maximum Benefits Payable to a Family

The 1977 Amendments continued the long established policy of limiting the total monthly benefits which a worker's family may receive based on his or her primary insurance amount. Those amendments also continued the then existing relationship between maximum family benefits and primary insurance amounts but did change the method of computing the maximum amount of benefits which may be paid to a worker's family. The 1980 Amendments (Pub. L. 96-265) established a new formula for computing the maximum benefits payable to the family of a disabled worker. This new formula is applied to the family benefits of workers who first become entitled to disability insurance benefits after June 30, 1980, and who first become eligible for these benefits after 1978. The new formula was explained in a Final Rule published in the *Federal Register* on May 8, 1981, at 46 FR 25601. For disabled workers initially entitled to disability benefits before July 1980, or whose disability began before 1979, the family maximum payable is computed the same as the old-age and survivor family maximum.

Computing the Old-Age and Survivor Family Maximum

The formula used to compute the family maximum is similar to that used to compute the primary insurance amount. It involves computing the sum of four separate percentages of portions of the worker's primary insurance amount. In 1979, these portions were the

first \$230, the amount between \$230 and \$332, the amount between \$332 and \$433, and the amount over \$433. The amounts for 1985 are obtained by multiplying the 1979 amounts by the ratio between the average of the total wages for 1983, \$15,239.24, and the average for 1977, \$9,779.44. This amount is then rounded to the nearest dollar. For 1985, the ratio is 1.558294. Multiplying the amounts of \$230, \$332, and \$433 by 1.558294 produces the amounts of \$358.41, \$517.35, and \$674.74. These amounts are then rounded to \$358, \$517, and \$675. Accordingly, the portions of the primary insurance amounts to be used in 1985 are determined to be the first \$358, the amount between \$358 and \$517, the amount between \$517 and \$675 and the amount over \$675.

Consequently, for the family of a worker who becomes age 62 or dies in 1985, the total amount of benefits payable to them will be computed so that it does not exceed:

(a) 150 percent of the first \$358 of the worker's primary insurance amount, plus

(b) 272 percent of the worker's primary insurance amount over \$358 through \$517, plus

(c) 134 percent of the worker's primary insurance amount over \$517 through \$675, plus

(d) 175 percent of the worker's primary insurance amount over \$675.

This amount is then rounded to the next lower multiple of \$.10 if it is not already a multiple of \$.10. This formula and the adjustments we have described are contained in section 203(a) of the Act (42 U.S.C. 403(a)) as amended by Pub. L. 97-35.

Extension of Benefit Table Effective January 1985

Table 1 includes an extension of the Table for Determining Primary Insurance Amount and Maximum Family Benefits provided in section 215(a)(5) of the Act. This extension reflects the higher average monthly wage and related benefit amounts now possible under the increased

contribution and benefit base published by this Notice effective January 1985 in accordance with section 215(i) of the Act. Table 1 will apply primarily to benefits based on earnings of workers who reached age 62 before 1979.

OASDI Fund Ratio

General

Section 215(i) of the Act was amended by section 112 of Pub. L. 98-21, the Social Security Amendments of 1983, to include a "stabilizer" provision that modifies the automatic OASDI benefit increase under certain circumstances. If the combined assets of the OASI and DI Trust Funds, as a percentage of annual expenditures, are below a specified level, automatic benefit increases are limited to the lesser of the increases in wages or prices. The minimum level specified for the OASDI fund ratio is 15.0 percent for benefit increases for December of 1984 through December 1988, and 20.0 percent thereafter. The amendments also provide for subsequent "catch-up" benefit increases for beneficiaries whose previous benefit increases were affected by this provision. "Catch-up" benefit increases occur only when trust fund assets exceed 32.0 percent of annual expenditures.

Computation

The 1983 Amendments specify the computation and application of the OASDI fund ratio beginning with the

December 1984 benefit increase. The OASDI fund ratio for 1984 is defined as the ratio of (1) the estimated combined assets of the OASI and DI Trust Funds at the end of 1984 (not excluding amounts owed to the Hospital Insurance (HI) Trust Fund), plus advance tax transfers for January 1985, to (2) the estimated expenditures of the OASI and DI Trust Funds during 1984, excluding payments of interest and principal to the HI Trust Fund and transfer payments between the OASI and DI Trust Funds, and reducing any transfers to the Railroad Retirement Account by any transfers from that account into either trust fund.

Ratio

The combined assets of the OASI and DI Trust Funds at the end of 1984 (including amounts owed to the HI Trust Fund and advance tax transfers for January 1985) are estimated to be \$45,245 million, and the expenditures are estimated to be \$180,875 million. Thus, the OASDI fund ratio for 1984 is 25.0 percent, which exceeds the applicable threshold of 15.0 percent. As a result, the "stabilizer" provision is not effective for December 1984.

(Catalog of Federal Domestic Assistance Programs Nos. 13.802-13.805, and 13.807 Social Security Programs.)

Dated: October 29, 1984.

Margaret M. Heckler,
Secretary of Health and Human Services.

BILLING CODE 4190-11-M

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (d)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—	III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is—		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—	V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
16.21	16.20	189.30		76	195.90	293.90
16.21	16.84	192.30	77	78	199.00	298.50
16.85	17.60	196.80	79	80	203.60	305.50
17.61	18.40	200.20	81	81	207.20	311.10
18.41	19.24	203.70	82	83	210.80	316.50
19.25	20.00	208.10	84	85	215.30	323.30
20.01	20.64	212.10	86	87	219.50	329.30
20.65	21.28	215.30	88	89	222.80	334.40
21.29	21.88	219.70	90	90	227.30	341.10
21.89	22.28	223.40	91	92	231.20	347.00
22.29	22.68	227.00	93	94	234.90	352.50
22.69	23.08	230.80	95	96	238.80	358.40
23.09	23.44	234.90	97	97	243.10	364.80
23.45	23.76	238.80	98	99	247.10	370.80
23.77	24.20	243.50	100	101	252.00	378.00
24.21	24.60	246.80	102	102	255.40	383.30
24.61	25.00	250.90	103	104	259.60	389.50
25.01	25.48	255.60	105	106	264.50	396.90
25.49	25.92	259.80	107	107	268.80	403.40
25.93	26.40	263.80	108	109	273.00	409.50
26.41	26.94	267.90	110	113	277.20	415.90
26.95	27.46	271.60	114	118	281.10	421.80
27.47	28.00	275.80	119	122	285.40	428.10
28.01	28.68	280.10	123	127	289.90	435.00
28.69	29.25	284.30	128	132	294.20	441.30
29.26	29.68	288.10	133	136	298.10	447.40
29.69	30.36	292.00	137	141	302.20	453.50
30.37	30.92	296.30	142	146	306.60	459.90
30.93	31.36	300.70	147	150	311.20	466.80
31.37	32.00	304.10	151	155	314.70	472.20
32.01	32.60	308.60	156	160	319.40	479.20
32.61	33.20	312.70	161	164	323.60	485.50
33.21	33.88	316.60	165	169	327.60	491.80
33.89	34.50	320.90	170	174	332.10	498.30
34.51	35.00	324.80	175	178	336.10	504.30
35.01	35.80	329.20	179	183	340.70	511.00
35.81	36.40	333.00	184	188	344.60	517.00
36.41	37.08	337.40	189	193	349.20	524.00
37.09	37.60	341.50	194	197	353.40	530.30
37.61	38.20	345.50	198	202	357.50	536.50
38.21	39.12	350.10	203	207	362.30	543.40
39.13	39.68	354.00	208	211	366.30	549.70
39.69	40.33	357.20	212	216	369.70	554.70
40.34	41.12	361.80	217	221	374.40	561.70
41.13	41.76	365.90	222	225	378.70	568.20
41.77	42.44	370.40	226	230	383.30	575.10
42.45	43.20	374.40	231	235	387.50	581.50
43.21	43.76	379.00	236	239	392.20	588.50
43.77	44.44	382.50	240	244	395.80	596.40
44.45	44.88	386.20	245	249	399.70	608.80
44.89	45.60	391.10	250	253	404.70	618.80
		394.80	254	258	408.60	630.80
		398.30	259	263	412.20	642.80
		403.30	264	267	417.40	652.50
		406.90	268	272	421.10	664.90
		411.40	273	277	425.70	676.80
		415.30	278	281	429.80	686.60
		419.40	282	286	434.00	698.90
		423.90	287	291	438.70	711.30
		427.30	292	295	442.20	720.80
		432.00	296	300	447.10	732.90
		436.00	301	305	451.20	745.50
		439.70	306	309	455.00	755.10
		444.20	310	314	459.70	767.20
		447.80	315	319	463.40	779.50
		451.90	320	323	467.70	791.40
		456.20	324	328	472.10	801.40
		460.00	329	333	476.10	813.60
		464.90	334	337	481.10	823.70
		468.10	338	342	484.40	835.60
		472.50	343	347	489.00	847.90
		477.00	348	351	493.60	857.60
		480.50	352	356	497.30	869.80

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984 (Cont.)

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (d)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—		III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is—		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—		V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—	
At least—	But not more than—			At least—	But not more than—				
		749.40	666	670		775.60		1357.40	
		752.20	671	675		778.50		1361.80	
		755.00	676	680		781.40		1366.80	
		757.50	681	685		784.00		1371.60	
		760.50	686	690		787.10		1376.20	
		762.80	691	695		789.40		1381.60	
		765.30	696	700		792.00		1386.10	
		768.20	701	705		795.00		1391.00	
		770.90	706	710		797.80		1396.00	
		773.80	711	715		800.80		1400.50	
		776.30	716	720		803.40		1405.60	
		779.00	721	725		806.20		1410.30	
		781.60	726	730		809.10		1415.40	
		784.40	731	735		811.80		1420.30	
		787.20	736	740		814.70		1424.90	
		789.70	741	745		817.30		1430.10	
		792.00	746	750		819.70		1434.50	
		794.70	751	755		822.50		1439.00	
		797.00	756	760		824.80		1442.80	
		799.30	761	765		827.20		1447.00	
		801.10	766	770		829.10		1451.20	
		803.60	771	775		831.70		1455.00	
		805.80	776	780		834.00		1459.00	
		808.20	781	785		836.40		1463.10	
		810.10	786	790		838.40		1467.10	
		812.30	791	795		840.70		1471.10	
		814.70	796	800		843.20		1475.20	
		817.00	801	805		845.50		1479.40	
		819.30	806	810		847.90		1483.30	
		821.40	811	815		850.10		1487.60	
		823.70	816	820		852.50		1491.40	
		825.90	821	825		854.80		1495.60	
		828.20	826	830		857.10		1499.50	
		830.30	831	835		859.30		1503.80	
		832.50	836	840		861.60		1507.50	
		834.80	841	845		864.00		1512.00	
		836.90	846	850		866.10		1515.50	
		839.30	851	855		868.60		1519.80	
		841.50	856	860		870.90		1523.80	
		843.70	861	865		873.20		1527.90	
		846.10	866	870		875.70		1532.00	
		848.20	871	875		877.80		1536.00	
		850.40	876	880		880.10		1539.90	
		852.70	881	885		882.50		1544.20	
		854.80	886	890		884.70		1547.90	
		857.00	891	895		886.90		1552.60	
		859.30	896	900		889.30		1556.10	
		861.70	901	905		891.80		1560.30	
		863.90	906	910		894.10		1564.50	
		866.10	911	915		896.40		1568.50	
		868.60	916	920		899.00		1572.20	
		870.50	921	925		900.90		1576.70	
		872.60	926	930		903.10		1580.40	
		874.80	931	935		905.40		1584.50	
		877.20	936	940		907.90		1588.60	
		879.40	941	945		910.10		1592.70	
		881.60	946	950		912.40		1596.60	
		884.00	951	955		914.90		1600.90	
		886.50	956	960		917.50		1604.90	
		888.70	961	965		919.80		1608.70	
		890.40	966	970		921.50		1613.00	
		892.70	971	975		923.90		1617.10	
		894.90	976	980		926.20		1620.90	
		897.50	981	985		928.90		1624.90	
		899.50	986	990		930.90		1629.00	
		901.70	991	995		933.20		1633.20	
		904.10	996	1000		935.70		1637.00	
		906.20	1001	1005		937.90		1640.50	
		907.70	1006	1010		939.40		1644.40	
		910.00	1011	1015		941.80		1647.80	
		912.20	1016	1020		944.10		1651.90	
		914.10	1021	1025		946.00		1655.10	
		915.70	1026	1030		947.70		1659.00	

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984 (Cont.)

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (d)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—		III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is—		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—		V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—	
At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—
		918.10	1031	1035		950.20		1662.60	
		920.00	1036	1040		952.20		1666.10	
		922.00	1041	1045		954.20		1670.00	
		924.30	1046	1050		956.60		1673.40	
		925.90	1051	1055		958.30		1676.70	
		927.90	1056	1060		960.30		1680.90	
		930.20	1061	1065		962.70		1684.30	
		932.20	1066	1070		964.80		1688.00	
		934.10	1071	1075		966.70		1691.80	
		936.10	1076	1080		968.80		1695.30	
		938.30	1081	1085		971.10		1698.90	
		940.00	1086	1090		972.90		1702.50	
		942.20	1091	1095		975.10		1706.30	
		944.40	1096	1100		977.40		1710.10	
		946.00	1101	1105		979.10		1713.40	
		948.20	1106	1110		981.30		1717.20	
		950.30	1111	1115		983.50		1720.60	
		952.20	1116	1120		985.50		1724.60	
		954.30	1121	1125		987.70		1728.00	
		956.20	1126	1130		989.60		1731.70	
		958.20	1131	1135		991.70		1735.10	
		960.30	1136	1140		993.90		1739.20	
		962.50	1141	1145		996.10		1742.80	
		964.50	1146	1150		998.20		1746.30	
		966.10	1151	1155		999.90		1749.70	
		968.40	1156	1160		1002.20		1753.40	
		970.50	1161	1165		1004.40		1757.30	
		972.40	1166	1170		1006.40		1761.00	
		974.50	1171	1175		1008.60		1764.60	
		976.40	1176	1180		1010.50		1768.20	
		978.10	1181	1185		1012.30		1771.40	
		980.10	1186	1190		1014.40		1774.70	
		981.80	1191	1195		1016.10		1778.30	
		983.70	1196	1200		1018.10		1781.70	
		985.70	1201	1205		1020.10		1784.90	
		987.50	1206	1210		1022.00		1788.50	
		989.30	1211	1215		1023.90		1791.70	
		991.20	1216	1220		1025.80		1795.10	
		993.10	1221	1225		1027.80		1798.30	
		995.10	1226	1230		1029.90		1801.90	
		996.80	1231	1235		1031.60		1805.10	
		998.50	1236	1240		1033.40		1808.60	
		1000.60	1241	1245		1035.60		1812.10	
		1002.50	1246	1250		1037.50		1815.40	
		1004.20	1251	1255		1039.30		1818.70	
		1006.10	1256	1260		1041.30		1822.20	
		1008.10	1261	1265		1043.30		1825.60	
		1009.90	1266	1270		1045.20		1828.90	
		1011.60	1271	1275		1047.00		1832.00	
		1013.50	1276	1280		1048.90		1835.60	
		1015.10	1281	1285		1050.60		1838.60	
		1017.00	1286	1290		1052.50		1841.80	
		1018.90	1291	1295		1054.50		1844.90	
		1020.50	1296	1300		1056.20		1848.10	
		1022.20	1301	1305		1057.90		1851.30	
		1023.90	1306	1310		1059.70		1854.50	
		1025.70	1311	1315		1061.50		1857.60	
		1027.70	1316	1320		1063.60		1861.00	
		1029.30	1321	1325		1065.30		1863.90	
		1031.10	1326	1330		1067.10		1867.40	
		1032.70	1331	1335		1068.80		1870.50	
		1034.50	1336	1340		1070.70		1873.70	
		1036.30	1341	1345		1072.50		1876.80	
		1038.00	1346	1350		1074.30		1879.90	
		1039.80	1351	1355		1076.10		1883.00	
		1041.50	1356	1360		1077.90		1886.20	
		1043.40	1361	1365		1079.90		1889.30	
		1044.90	1366	1370		1081.40		1892.60	
		1046.70	1371	1375		1083.30		1895.70	
		1048.60	1376	1380		1085.30		1898.90	
		1050.10	1381	1385		1086.80		1901.80	
		1051.80	1386	1390		1088.60		1904.90	
		1053.40	1391	1395		1090.20		1907.90	

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984 (Cont.)

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (d)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—	III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is—		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—	V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
		1054.90	1396	1400	1091.80	1910.90
		1056.70	1401	1405	1093.60	1913.70
		1058.20	1406	1410	1095.20	1916.80
		1059.90	1411	1415	1096.90	1919.80
		1061.50	1416	1420	1098.60	1922.90
		1063.20	1421	1425	1100.40	1925.90
		1064.80	1426	1430	1102.00	1928.90
		1066.70	1431	1435	1104.00	1931.80
		1068.40	1436	1440	1105.70	1934.80
		1069.90	1441	1445	1107.30	1937.70
		1071.70	1446	1450	1109.20	1941.00
		1073.20	1451	1455	1110.70	1943.80
		1074.80	1456	1460	1112.40	1946.80
		1076.60	1461	1465	1114.20	1949.80
		1078.10	1466	1470	1115.80	1952.80
		1079.80	1471	1475	1117.50	1955.80
		1081.30	1476	1480	1119.10	1958.50
		1083.10	1481	1485	1121.00	1961.50
		1084.50	1486	1490	1122.40	1964.10
		1086.20	1491	1495	1124.20	1967.10
		1087.60	1496	1500	1125.60	1969.90
		1089.20	1501	1505	1127.30	1972.90
		1090.70	1506	1510	1128.80	1975.40
		1092.30	1511	1515	1130.50	1978.20
		1093.90	1516	1520	1132.10	1981.10
		1095.40	1521	1525	1133.70	1984.10
		1096.90	1526	1530	1135.20	1986.60
		1098.50	1531	1535	1136.90	1989.50
		1100.10	1536	1540	1138.60	1992.40
		1101.60	1541	1545	1140.10	1995.20
		1103.20	1546	1550	1141.80	1997.90
		1104.80	1551	1555	1143.40	2000.80
		1106.30	1556	1560	1145.00	2003.60
		1107.80	1561	1565	1146.50	2006.50
		1109.40	1566	1570	1148.20	2009.10
		1110.90	1571	1575	1149.70	2012.10
		1112.40	1576	1580	1151.30	2014.90
		1114.00	1581	1585	1152.90	2017.70
		1115.60	1586	1590	1154.60	2020.40
		1117.10	1591	1595	1156.10	2023.40
		1118.70	1596	1600	1157.80	2026.20
		1120.20	1601	1605	1159.40	2029.00
		1121.80	1606	1610	1161.00	2031.80
		1123.20	1611	1615	1162.50	2034.60
		1124.90	1616	1620	1164.20	2037.30
		1126.40	1621	1625	1165.80	2040.20
		1128.10	1626	1630	1167.50	2042.90
		1129.70	1631	1635	1169.20	2045.90
		1131.10	1636	1640	1170.60	2048.50
		1132.80	1641	1645	1172.40	2051.50
		1134.30	1646	1650	1174.00	2054.20
		1135.90	1651	1655	1175.60	2057.10
		1137.40	1656	1660	1177.20	2059.80
		1138.90	1661	1665	1178.70	2062.60
		1140.50	1666	1670	1180.40	2065.40
		1142.00	1671	1675	1181.90	2068.30
		1143.60	1676	1680	1183.60	2071.10
		1145.20	1681	1685	1185.20	2074.00
		1146.70	1686	1690	1186.80	2076.70
		1148.30	1691	1695	1188.40	2079.60
		1149.60	1696	1700	1189.80	2082.40
		1151.30	1701	1705	1191.50	2085.30
		1152.70	1706	1710	1193.00	2088.00
		1154.30	1711	1715	1194.70	2090.80
		1155.80	1716	1720	1196.20	2093.50
		1157.40	1721	1725	1197.90	2096.50
		1159.00	1726	1730	1199.50	2099.10
		1160.50	1731	1735	1201.10	2102.00
		1162.20	1736	1740	1202.80	2104.70
		1163.60	1741	1745	1204.30	2107.70
		1165.20	1746	1750	1205.90	2110.40
		1166.70	1751	1755	1207.50	2113.30
		1168.30	1756	1760	1209.10	2116.10

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984 (Cont.)

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (d)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—		III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is—		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—		V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—	
At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—
		1169.90	1761	1765		1210.80		2119.10	
		1171.40	1766	1770		1212.30		2121.60	
		1172.90	1771	1775		1213.90		2124.50	
		1174.50	1776	1780		1215.60		2127.40	
		1176.00	1781	1785		1217.10		2130.40	
		1177.70	1786	1790		1218.90		2132.80	
		1179.20	1791	1795		1220.40		2135.70	
		1180.80	1796	1800		1222.10		2138.60	
		1182.30	1801	1805		1223.60		2141.50	
		1183.90	1806	1810		1225.30		2144.20	
		1185.40	1811	1815		1226.80		2147.10	
		1187.00	1816	1820		1228.50		2149.90	
		1188.40	1821	1825		1229.90		2152.80	
		1190.10	1826	1830		1231.70		2155.30	
		1191.60	1831	1835		1233.30		2158.30	
		1193.20	1836	1840		1234.90		2161.20	
		1194.80	1841	1845		1236.60		2164.10	
		1196.20	1846	1850		1238.00		2166.50	
		1197.90	1851	1855		1239.80		2169.50	
		1199.30	1856	1860		1241.20		2172.30	
		1201.00	1861	1865		1243.00		2175.20	
		1202.50	1866	1870		1244.50		2177.80	
		1204.00	1871	1875		1246.10		2180.80	
		1205.60	1876	1880		1247.70		2183.60	
		1207.10	1881	1885		1249.30		2186.50	
		1208.70	1886	1890		1251.00		2189.20	
		1210.20	1891	1895		1252.50		2192.20	
		1211.80	1896	1900		1254.20		2194.90	
		1213.40	1901	1905		1255.80		2197.80	
		1214.80	1906	1910		1257.30		2200.40	
		1216.40	1911	1915		1258.90		2203.10	
		1217.70	1916	1920		1260.30		2205.70	
		1219.10	1921	1925		1261.70		2208.20	
		1220.50	1926	1930		1263.20		2210.90	
		1222.00	1931	1935		1264.70		2213.30	
		1223.40	1936	1940		1266.20		2216.10	
		1224.80	1941	1945		1267.60		2218.50	
		1226.30	1946	1950		1269.20		2221.10	
		1227.70	1951	1955		1270.60		2223.50	
		1229.00	1956	1960		1272.00		2226.30	
		1230.50	1961	1965		1273.50		2228.70	
		1231.90	1966	1970		1275.00		2231.40	
		1233.40	1971	1975		1276.50		2233.70	
		1234.60	1976	1980		1277.80		2236.40	
		1236.30	1981	1985		1279.50		2239.00	
		1237.50	1986	1990		1280.80		2241.60	
		1238.80	1991	1995		1282.10		2244.00	
		1240.30	1996	2000		1283.70		2246.70	
		1241.70	2001	2005		1285.10		2249.10	
		1243.20	2006	2010		1286.70		2251.80	
		1244.50	2011	2015		1288.00		2254.30	
		1246.10	2016	2020		1289.70		2256.90	
		1247.40	2021	2025		1291.00		2259.50	
		1248.80	2026	2030		1292.50		2262.10	
		1250.20	2031	2035		1293.90		2264.40	
		1251.70	2036	2040		1295.50		2267.10	
		1253.10	2041	2045		1296.90		2269.50	
		1254.50	2046	2050		1298.40		2272.30	
		1256.00	2051	2055		1299.90		2274.80	
		1257.40	2056	2060		1301.40		2277.40	
		1258.60	2061	2065		1302.60		2279.70	
		1260.10	2066	2070		1304.20		2282.50	
		1261.50	2071	2075		1305.60		2284.90	
		1263.00	2076	2080		1307.20		2287.60	
		1264.30	2081	2085		1308.50		2290.10	
		1265.80	2086	2090		1310.10		2292.80	
		1267.20	2091	2095		1311.50		2295.20	
		1268.50	2096	2100		1312.80		2297.90	
		1270.00	2101	2105		1314.40		2300.20	
		1271.40	2106	2110		1315.80		2303.00	
		1272.90	2111	2115		1317.40		2305.40	
		1274.20	2116	2120		1318.70		2308.10	
		1275.70	2121	2125		1320.30		2310.50	

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984 (Cont.)

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (j)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—		III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is—		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—		V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—	
At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—
		1277.10	2126	2130		1321.70		2313.20	
		1278.60	2131	2135		1323.30		2315.70	
		1279.90	2136	2140		1324.60		2318.40	
		1281.20	2141	2145		1326.00		2320.70	
		1282.80	2146	2150		1327.60		2323.50	
		1284.10	2151	2155		1329.00		2325.90	
		1285.50	2156	2160		1330.40		2328.50	
		1286.90	2161	2165		1331.90		2330.90	
		1288.10	2166	2170		1333.10		2333.00	
		1289.40	2171	2175		1334.50		2335.40	
		1290.60	2176	2180		1335.70		2337.50	
		1291.80	2181	2185		1337.00		2339.90	
		1293.00	2186	2190		1338.20		2342.10	
		1294.20	2191	2195		1339.40		2344.20	
		1295.50	2196	2200		1340.80		2346.50	
		1296.70	2201	2205		1342.00		2348.80	
		1298.00	2206	2210		1343.40		2351.10	
		1299.20	2211	2215		1344.60		2353.20	
		1300.40	2216	2220		1345.90		2355.50	
		1301.70	2221	2225		1347.20		2357.80	
		1302.90	2226	2230		1348.50		2360.10	
		1304.20	2231	2235		1349.80		2362.20	
		1305.40	2236	2240		1351.00		2364.30	
		1306.50	2241	2245		1352.20		2366.70	
		1307.90	2246	2250		1353.60		2368.80	
		1309.10	2251	2255		1354.90		2371.10	
		1310.40	2256	2260		1356.20		2373.30	
		1311.60	2261	2265		1357.50		2375.70	
		1312.80	2266	2270		1358.70		2377.60	
		1314.00	2271	2275		1359.90		2380.00	
		1315.20	2276	2280		1361.20		2382.30	
		1316.50	2281	2285		1362.50		2384.60	
		1317.80	2286	2290		1363.90		2386.80	
		1319.10	2291	2295		1365.20		2389.00	
		1320.20	2296	2300		1366.40		2391.30	
		1321.40	2301	2305		1367.60		2393.60	
		1322.70	2306	2310		1368.90		2395.80	
		1323.90	2311	2315		1370.20		2398.00	
		1325.20	2316	2320		1371.50		2400.20	
		1326.40	2321	2325		1372.80		2402.60	
		1327.50	2326	2330		1373.90		2404.70	
		1328.90	2331	2335		1375.40		2407.00	
		1330.10	2336	2340		1376.60		2409.20	
		1331.40	2341	2345		1377.90		2411.50	
		1332.60	2346	2350		1379.20		2413.70	
		1333.90	2351	2355		1380.50		2416.10	
		1335.00	2356	2360		1381.70		2418.20	
		1336.20	2361	2365		1382.90		2420.40	
		1337.50	2366	2370		1384.30		2422.60	
		1338.80	2371	2375		1385.60		2424.90	
		1340.10	2376	2380		1386.90		2427.10	
		1341.20	2381	2385		1388.10		2429.30	
		1342.40	2386	2390		1389.30		2431.60	
		1343.70	2391	2395		1390.70		2433.90	
		1344.90	2396	2400		1391.90		2435.90	
		1346.20	2401	2405		1393.30		2438.30	
		1347.40	2406	2410		1394.50		2440.50	
		1348.70	2411	2415		1395.90		2442.90	
		1349.90	2416	2420		1397.10		2444.90	
		1351.10	2421	2425		1398.30		2447.30	
		1352.40	2426	2430		1399.70		2449.50	
		1353.60	2431	2435		1400.90		2451.90	
		1354.80	2436	2440		1402.20		2453.90	
		1356.00	2441	2445		1403.40		2456.20	
		1357.20	2446	2450		1404.70		2458.50	
		1358.50	2451	2455		1406.00		2460.80	
		1359.80	2456	2460		1407.30		2462.90	
		1361.10	2461	2465		1408.70		2465.20	
		1362.20	2466	2470		1409.80		2467.50	
		1363.50	2471	2475		1411.20		2469.70	
		1364.60	2476	2480		1412.30		2471.60	
		1365.70	2481	2485		1413.40		2473.80	
		1366.80	2486	2490		1414.60		2475.70	

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984 (Cont.)

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (d)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—		III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is—		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—		V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—	
At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—
	1367.90	2491	2495			1415.70		2477.70	
	1369.00	2496	2500			1416.90		2479.80	
	1370.20	2501	2505			1418.10		2481.80	
	1371.20	2506	2510			1419.10		2483.70	
	1372.40	2511	2515			1420.40		2485.80	
	1373.50	2516	2520			1421.50		2487.80	
	1374.60	2521	2525			1422.70		2489.80	
	1375.70	2526	2530			1423.80		2491.80	
	1376.80	2531	2535			1424.90		2493.90	
	1377.90	2536	2540			1426.10		2495.90	
	1379.10	2541	2545			1427.30		2497.90	
	1380.10	2546	2550			1428.40		2499.90	
	1381.30	2551	2555			1429.60		2502.00	
	1382.40	2556	2560			1430.70		2503.90	
	1383.50	2561	2565			1431.90		2505.90	
	1384.60	2566	2570			1433.00		2508.00	
	1385.70	2571	2575			1434.10		2510.00	
	1386.90	2576	2580			1435.40		2511.90	
	1388.00	2581	2585			1436.50		2514.10	
	1389.00	2586	2590			1437.60		2516.00	
	1390.20	2591	2595			1438.80		2518.00	
	1391.30	2596	2600			1439.90		2520.00	
	1392.30	2601	2605			1441.00		2522.10	
	1393.50	2606	2610			1442.20		2524.00	
	1394.60	2611	2615			1443.40		2526.10	
	1395.80	2616	2620			1444.60		2528.10	
	1396.80	2621	2625			1445.80		2530.10	
	1397.90	2626	2630			1446.80		2532.10	
	1399.10	2631	2635			1448.00		2534.30	
	1400.20	2636	2640			1449.20		2536.10	
	1401.20	2641	2645			1450.20		2538.20	
	1402.40	2646	2650			1451.40		2540.00	
	1403.50	2651	2655			1452.60		2542.20	
	1404.70	2656	2660			1453.80		2544.20	
	1405.70	2661	2665			1454.80		2546.20	
	1406.80	2666	2670			1456.00		2548.20	
	1408.00	2671	2675			1457.20		2550.30	
	1409.10	2676	2680			1458.40		2552.20	
	1410.10	2681	2685			1459.40		2554.30	
	1411.30	2686	2690			1460.60		2556.30	
	1412.40	2691	2695			1461.80		2558.30	
	1413.60	2696	2700			1463.00		2560.20	
	1414.60	2701	2705			1464.10		2562.20	
	1415.60	2706	2710			1465.10		2564.00	
	1416.70	2711	2715			1466.20		2565.90	
	1417.70	2716	2720			1467.30		2567.70	
	1418.70	2721	2725			1468.30		2569.60	
	1419.80	2726	2730			1469.40		2571.50	
	1420.80	2731	2735			1470.50		2573.40	
	1421.80	2736	2740			1471.50		2575.20	
	1422.90	2741	2745			1472.70		2577.20	
	1423.90	2746	2750			1473.70		2579.00	
	1424.90	2751	2755			1474.70		2580.90	
	1426.00	2756	2760			1475.90		2582.70	
	1427.00	2761	2765			1476.90		2584.70	
	1428.00	2766	2770			1477.90		2586.50	
	1429.10	2771	2775			1479.10		2588.40	
	1430.10	2776	2780			1480.10		2590.20	
	1431.10	2781	2785			1481.10		2592.10	
	1432.20	2786	2790			1482.30		2594.00	
	1433.20	2791	2795			1483.30		2595.90	
	1434.30	2796	2800			1484.50		2597.70	
	1435.30	2801	2805			1485.50		2599.70	
	1436.30	2806	2810			1486.50		2601.50	
	1437.40	2811	2815			1487.70		2603.40	
	1438.40	2816	2820			1488.70		2605.30	
	1439.40	2821	2825			1489.70		2607.10	
	1440.50	2826	2830			1490.90		2609.00	
	1441.50	2831	2835			1491.90		2610.90	
	1442.50	2836	2840			1492.90		2612.70	
	1443.60	2841	2845			1494.10		2614.70	
	1444.60	2846	2850			1495.10		2616.40	
	1445.60	2851	2855			1496.10		2618.40	

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984 (Cont.)

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (d)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—		III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is—		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—		V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—	
At least—	But not more than—			At least—	But not more than—				
		1446.70	2856	2860		1497.30		2620.30	
		1447.70	2861	2865		1498.30		2622.10	
		1448.70	2866	2870		1499.40		2624.00	
		1449.80	2871	2875		1500.50		2625.80	
		1450.80	2876	2880		1501.50		2627.70	
		1451.80	2881	2885		1502.60		2629.70	
		1452.90	2886	2890		1503.70		2631.40	
		1453.90	2891	2895		1504.70		2633.40	
		1455.00	2896	2900		1505.90		2635.30	
		1456.00	2901	2905		1506.90		2637.10	
		1457.00	2906	2910		1507.90		2639.00	
		1458.10	2911	2915		1509.10		2640.90	
		1459.10	2916	2920		1510.10		2642.70	
		1460.10	2921	2925		1511.20		2644.70	
		1461.20	2926	2930		1512.30		2646.40	
		1462.20	2931	2935		1513.30		2648.40	
		1463.20	2936	2940		1514.40		2650.20	
		1464.30	2941	2945		1515.50		2652.10	
		1465.30	2946	2950		1516.50		2654.00	
		1466.30	2951	2955		1517.60		2655.90	
		1467.40	2956	2960		1518.70		2657.70	
		1468.40	2961	2965		1519.70		2659.70	
		1469.40	2966	2970		1520.80		2661.50	
		1470.50	2971	2975		1521.90		2663.40	
		1471.50	2976	2980		1523.00		2665.20	
		1472.50	2981	2985		1524.00		2666.90	
		1473.50	2986	2990		1525.00		2668.80	
		1474.50	2991	2995		1526.10		2670.60	
		1475.50	2996	3000		1527.10		2672.40	
		1476.50	3001	3005		1528.10		2674.20	
		1477.50	3006	3010		1529.20		2676.00	
		1478.50	3011	3015		1530.20		2677.80	
		1479.50	3016	3020		1531.20		2679.70	
		1480.50	3021	3025		1532.30		2681.40	
		1481.50	3026	3030		1533.30		2683.30	
		1482.50	3031	3035		1534.30		2685.10	
		1483.50	3036	3040		1535.40		2686.90	
		1484.50	3041	3045		1536.40		2688.70	
		1485.50	3046	3050		1537.40		2690.50	
		1486.50	3051	3055		1538.50		2692.30	
		1487.50	3056	3060		1539.50		2694.20	
		1488.50	3061	3065		1540.50		2695.90	
		1489.50	3066	3070		1541.60		2697.80	
		1490.50	3071	3075		1542.60		2699.50	
		1491.50	3076	3080		1543.70		2701.40	
		1492.50	3081	3085		1544.70		2703.20	
		1493.50	3086	3090		1545.70		2705.00	
		1494.50	3091	3095		1546.80		2706.80	
		1495.50	3096	3100		1547.80		2708.60	
		1496.50	3101	3105		1548.80		2710.40	
		1497.50	3106	3110		1549.90		2712.30	
		1498.50	3111	3115		1550.90		2714.00	
		1499.50	3116	3120		1551.90		2715.90	
		1500.50	3121	3125		1553.00		2717.70	
		1501.50	3126	3130		1554.00		2719.50	
		1502.50	3131	3135		1555.00		2721.30	
		1503.50	3136	3140		1556.10		2723.10	
		1504.50	3141	3145		1557.10		2724.90	
		1505.50	3146	3150		1558.10		2726.80	
			3151	3155		1559.10		2728.40	
			3156	3160		1560.10		2730.10	
			3161	3165		1561.10		2731.90	
			3166	3170		1562.10		2733.60	
			3171	3175		1563.10		2735.40	
			3176	3180		1564.10		2737.10	
			3181	3185		1565.10		2738.90	
			3186	3190		1566.10		2740.60	
			3191	3195		1567.10		2742.40	
			3196	3200		1568.10		2744.10	
			3201	3205		1569.10		2745.90	
			3206	3210		1570.10		2747.60	
			3211	3215		1571.10		2749.40	
			3216	3220		1572.10		2751.10	

TABLE 1.—TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS BEGINNING DECEMBER 1984 (Cont.)

I (primary insurance benefit under 1939 act, as modified)—if an individual's primary insurance benefit (as determined under sub-sec. (d)) is—		II (primary insurance amount effective for Dec. 1983)—or his primary insurance amount (as determined under sub-sec.(c)) is—		III (average monthly wage)—or his average monthly wage (as determined under sub-sec. (b)) is-		IV (primary insurance amount)—the amount referred to in the preceding paragraphs of this subsection shall be—		V (maximum family benefits)—and the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—	
At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—	At least—	But not more than—
		3221		3225		1573.10		2752.90	
		3226		3230		1574.10		2754.60	
		3231		3235		1575.10		2756.40	
		3236		3240		1576.10		2758.10	
		3241		3245		1577.10		2759.90	
		3246		3250		1578.10		2761.60	
		3251		3255		1579.10		2763.40	
		3256		3260		1580.10		2765.10	
		3261		3265		1581.10		2766.90	
		3266		3270		1582.10		2768.60	
		3271		3275		1583.10		2770.40	
		3276		3280		1584.10		2772.10	
		3281		3285		1585.10		2773.90	
		3286		3290		1586.10		2775.60	
		3291		3295		1587.10		2777.40	
		3296		3300		1588.10		2779.10	

TABLE 2.—SPECIAL MINIMUM PRIMARY INSURANCE AMOUNTS AND MAXIMUM FAMILY BENEFITS

Special minimum primary insurance amount payable for Dec. 1983	No. of years required minimum earnings level	Special minimum primary insurance amount payable for Dec. 1984	Special maximum family benefit payable for Dec. 1984
18.10	11	18.70	28.10
35.80	12	37.00	55.60
53.70	13	55.50	83.50
71.50	14	74.00	111.10
89.30	15	92.40	138.70
107.30	16	111.00	166.60
125.10	17	129.40	194.10
143.00	18	148.00	222.00
160.80	19	166.40	249.60
178.50	20	184.70	277.20
196.50	21	203.30	305.20
214.30	22	221.60	332.80
232.30	23	240.40	360.80
250.10	24	258.80	388.30
267.90	25	277.20	415.90
285.90	26	295.90	444.00
303.70	27	314.30	471.60
321.50	28	332.70	499.20
339.30	29	351.10	526.90
357.10	30	369.50	554.50

**APPENDIX D.—AUTOMATIC ADJUSTMENTS UNDER OLD-AGE,
SURVIVORS, AND DISABILITY INSURANCE**

The Social Security Act specifies that certain program amounts affecting the determination of OASDI benefits are to be adjusted annually, in general, to reflect changes in the economy. The law prescribes specific formulas which, when applied to reported statistics, produce "automatic" revisions in these program amounts and hence in the benefit-computation procedures.

In this appendix, values are shown for the program amounts which are subject to automatic adjustment, from the time that such adjustments became effective through 1985. Projected values for future years through 1990, based on the two intermediate sets of assumptions (alternatives II-A and II-B), are also shown. Many of these assumptions are described in the subsection of this report entitled "Economic and Demographic Assumptions" and are shown in tables 10 and 11. The subsection entitled "Automatic Adjustments," and Appendix C, provide a more complete description of the program amounts affected by the automatic-adjustment procedures.

Under section 215(b)(3) of the Social Security Act, the average amount of total wages for each year after 1950 is used to index the earnings of most workers first becoming eligible for benefits in 1979 or later. This procedure converts a worker's past earnings to approximately their equivalent values near the time of the worker's retirement or other eligibility, and these values are used to calculate the worker's Average Indexed Monthly Earnings (AIME). The average amount of total wages for each year is also used to adjust most of the program amounts that are subject to the automatic-adjustment provisions. A copy of the notice announcing the average wage for 1983, including a brief description of its derivation, is shown in Appendix C, which also describes the determinations of other program amounts that are in effect for 1985. Table D1 shows the average amount of total wages as announced for each year 1951 through 1983, together with estimated values for 1984 through 1990 based on the two intermediate sets of assumptions.

TABLE D1.—AVERAGE AMOUNT OF TOTAL WAGES FOR 1951-83 AND ESTIMATED AMOUNTS FOR 1984-90, ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS

Calendar year	Actual amounts	
1951		\$2,799.16
1952		2,973.32
1953		3,139.44
1954		3,155.64
1955		3,301.44
1956		3,532.36
1957		3,641.72
1958		3,673.80
1959		3,855.80
1960		4,007.12
1961		4,086.76
1962		4,291.40
1963		4,396.64
1964		4,576.32
1965		4,658.72
1966		4,938.36
1967		5,213.44
1968		5,571.76
1969		5,893.76
1970		6,186.24
1971		6,497.08
1972		7,133.80
1973		7,580.16
1974		8,030.76
1975		8,630.92
1976		9,226.48
1977		9,779.44
1978		10,556.03
1979		11,479.46
1980		12,513.46
1981		13,773.10
1982		14,531.34
1983		15,239.24
Estimated amount by alternative-		
	II-A	II-B
1984	\$16,031.08	\$15,992.60
1985	16,642.77	16,595.38
1986	17,542.19	17,491.41
1987	18,529.18	18,590.81
1988	19,547.66	19,714.94
1989	20,640.27	20,941.96
1990	21,680.81	22,134.72

The provisions for automatic cost-of-living increases in OASDI benefits were originally enacted in 1972 and first became effective with the benefit increase for June 1975. The determination of the benefit increase effective for December 1984 is shown in Appendix C. Table D2 shows the automatic benefit increases determined for each year 1975-84, and the benefit increases for each year 1985-90 on the basis of the two intermediate sets of assumptions.

TABLE D2.—OASDI PROGRAM AMOUNTS DETERMINED UNDER THE AUTOMATIC-ADJUSTMENT PROVISIONS FOR 1975-85 AND PROJECTED FUTURE AMOUNTS FOR 1986-90, ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS

Calendar year	Benefit increase ¹ (percent)	Contribution and benefit base	"Old-law" contribution and benefit base ²	Retirement earnings test exempt amounts		Amount of earnings required for quarter of coverage ³	AIME "bend points" in PIA formula		PIA "bend points" in maximum-family-benefit formula		
				Under age 65	Ages 65 and over ⁴		First	Second	First	Second	Third
Actual experience:											
1975.....	8.0	\$14,100	(*)	\$2,520	\$2,520	(*)	(*)	(*)	(*)	(*)	(*)
1976.....	6.4	15,300	(*)	2,760	2,760	(*)	(*)	(*)	(*)	(*)	(*)
1977.....	5.9	16,500	(*)	3,000	3,000	(*)	(*)	(*)	(*)	(*)	(*)
1978.....	6.5	17,700	(*)	3,240	4,000	\$250	(*)	(*)	(*)	(*)	(*)
1979.....	9.9	*22,900	\$18,900	3,480	*4,500	260	*\$180	*\$1,085	*\$230	*\$332	*\$433
1980.....	14.3	*25,900	20,400	3,720	5,000	290	194	1,171	248	358	467
1981.....	11.2	*29,700	22,200	4,080	*5,500	310	211	1,274	270	390	508
1982.....	7.4	32,400	24,300	4,440	*6,000	340	230	1,388	294	425	554
1983.....	3.5	35,700	26,700	4,920	6,600	370	254	1,528	324	468	610
1984.....	3.5	37,800	28,200	5,160	6,960	390	267	1,612	342	493	643
1985.....	(*)	39,600	29,700	5,400	7,320	410	280	1,691	358	517	675
Projected future experience:											
Alternative II-A:											
1986.....	4.2	41,700	31,200	5,640	7,680	430	295	1,779	377	544	710
1987.....	4.1	43,200	32,400	5,880	7,920	450	306	1,846	391	565	737
1988.....	4.0	45,600	34,200	6,240	8,400	480	323	1,946	413	596	777
1989.....	3.6	48,300	36,000	6,600	8,880	500	341	2,056	436	629	820
1990.....	3.1	51,000	38,100	6,960	9,360	530	360	2,169	460	664	866
Alternative II-B:											
1986.....	5.0	41,700	31,200	5,640	7,680	430	294	1,774	376	543	708
1987.....	5.3	43,200	32,400	5,880	7,920	450	305	1,841	390	563	735
1988.....	5.0	45,600	34,200	6,240	8,400	470	322	1,941	411	594	774
1989.....	4.6	48,600	36,300	6,600	8,880	500	342	2,063	437	631	823
1990.....	4.1	51,600	38,400	6,960	9,360	530	363	2,187	464	669	873

¹Effective with benefits payable for June in each year 1975-82, and for December in each year after 1982.

²Contribution and benefit base that would have been determined automatically under the law in effect prior to enactment of the Social Security Amendments of 1977.

³In 1955-82, retirement earnings test did not apply at ages 72 and over; beginning in 1983, it does not apply at ages 70 and over.

⁴See Appendix C for a description of quarter-of-coverage requirements prior to 1978.

⁵No provision in law for this amount in this year.

⁶Amount not subject to automatic-adjustment provisions in this year.

⁷Amount specified by Social Security Amendments of 1977.

⁸Amount specified for first year by Social Security Amendments of 1977; amounts for subsequent years subject to automatic-adjustment provisions.

⁹Actual benefit increase for December 1985 has not been determined. Estimates of that increase, based on alternatives II-A and II-B, are 3.4 percent and 3.7 percent, respectively.

The law provides for an automatic increase in the contribution and benefit base for the year following a year in which an automatic benefit increase became effective. The base for 1975 was the first one determined on this basis. (Amendments enacted in December 1973 provided that the 11-percent general benefit increase that became effective in 1974 would be considered an automatic cost-of-living benefit increase for purposes of the automatic-adjustment provisions.) The bases for 1979-81 were specified by the 1977 amendments at levels above those which were expected to occur under the automatic-adjustment provisions (and which, in fact, as the experience developed, were above such levels). Starting again in 1982, the bases have been determined automatically on the basis of increases in average wages. Table D2 shows actual past and projected future amounts for the contribution and benefit base.

The law provides for the determination of the contribution and benefit bases that would have been in effect in each year after 1978 under the automatic-adjustment provisions as in effect before the enactment of the 1977 amendments. This "old-law" base is used in determining special-minimum benefits for certain workers who have many years of low earnings in covered employment. Beginning in 1986, the old-law base will be used in the calculation of OASDI benefits for certain workers who are eligible to receive pensions based on noncovered employment. It is also used for certain purposes under the Railroad Retirement program and the Employee Retirement Income Security Act of 1974. Table D2 shows the old-law bases for 1979-85, together with estimated amounts for 1986-90 on the basis of the two intermediate sets of assumptions.

The 1972 amendments specified that the amount of earnings exempted from the withholding of benefits under the retirement earnings test would increase automatically in the year following a year in which an automatic cost-of-living benefit increase became effective. The 1977 amendments modified this procedure by establishing two different exempt amounts—one for those under age 65 and another for those aged 65 and over. The former amounts continued to increase automatically, while the latter amounts were specified for 1978-82, after which they again increase automatically. The exempt amounts are shown in table D2 for 1975-90.

The 1977 amendments specified the amount of earnings required in 1978 to be credited with a "quarter of coverage" and provided for automatic adjustment of this amount for future years. Table D2 shows the amounts for 1978-90.

The 1977 amendments substantially revised the method of computing benefits for most workers first becoming eligible for benefits in 1979 and later. The formula used to compute the Primary Insurance Amount (PIA) for workers who first become eligible for benefits, or who died before becoming eligible, in 1979 is:

90 percent of the first \$180 of AIME, plus
 32 percent of AIME in excess of \$180
 but not in excess of \$1,085, plus
 15 percent of AIME in excess of \$1,085.

The amounts separating the individual's AIME into intervals—the “bend points”—are adjusted automatically by the changes in average wages as specified in section 215(a)(1)(B) of the Social Security Act. (A regular-minimum benefit of \$122 and a special-minimum benefit varying by “years of coverage” are also provided, although for most workers first becoming eligible for benefits in 1982 and later, the regular-minimum benefit of \$122 has been eliminated.) The bend points for 1979-85, and the values projected for 1986-90, are shown in table D2.

A similar formula is used to compute the maximum total amount of monthly benefits payable on the basis of the earnings of a retired or deceased individual. This formula is a function of the individual's PIA, and is shown below for workers who first became eligible for benefits, or who died before becoming eligible, in 1979:

150 percent of the first \$230 of PIA, plus
 272 percent of the PIA in excess of \$230
 but not in excess of \$332, plus
 134 percent of the PIA in excess of \$332
 but not in excess of \$433, plus
 175 percent of the PIA in excess of \$433.

These PIA-interval bend points are adjusted automatically in accordance with section 203(a)(2) of the Act. The maximum-family-benefit bend points for 1979-90 are shown in table D2.