### Computing a Retired-Worker Benefit

This section provides instructions and a worksheet for computing a retired-worker benefit. The worksheet can be used for persons born in 1926 through 1939—that is, those who attained age 62 in 2001 or earlier and were under age 75 at the end of 2001. The worksheet assumes that the worker had no prior period of entitlement to disability benefits and also did not work after becoming entitled to retired-worker benefits.

The worksheet describes the various steps used in computing a benefit. The steps are based on the following Social Security program goals.

To provide a benefit based on lifetime earnings. Benefits are related to earnings over a period of time that the worker could be expected to have worked in covered employment—from age 22 through age 61. The years of earnings considered are termed computation years. The worker's five lowest earnings years, including years of no earnings at all) are not considered in the computation. They are termed the drop out years.

*To index lifetime earnings*. Earnings used in the computation are not the actual covered earnings, but an amount for each year which reflects earnings increases in average wage levels after the year the earnings were paid. This procedure is termed wage indexing. Currently, earnings are generally indexed to wage levels in the year the worker turns age 60. For example, for a person attaining age 62 in 2001, actual earnings in 1984 of \$20,000 are indexed to \$37,768.46, based on 1999 wage levels. Earnings after age 60 are included at their actual (nominal) value.

To replace a portion of the indexed earnings. Indexed earnings are averaged over the number of computation years to calculate the Average Indexed Monthly Earnings (AIME). A benefit formula is applied to the AIME to produce the Primary Insurance Amount (PIA), the amount payable to a worker who retires at age 65. The benefit formula is weighted to provide a higher replacement of earnings for lower wage workers. The formula for persons age 62 in 2001 is 90 percent of the first \$561 of AIME; plus 32 percent of the next \$2,820; plus 15 percent of the AIME over \$3,381.

*To permit early retirement.* Persons can retire as early as age 62, but the monthly benefit is reduced. The reduction is 5/9 of 1 percent for each of the first 36 months of entitlement immediately preceding the age at which 100 percent of PIA is payable (65 and 4 months in the year 2001 but scheduled to increase to age 67 by the year 2022), plus 5/12 of 1 percent for each of up to 24 earlier months. For a person aged 62 in 2001, the maximum reduction is 21.66667 percent if the individual is entitled to benefits for all 40 months between 62 and 65 and 4 months.

*To provide for price indexing after age 62.* Benefits are adjusted annually in December to reflect increases in the Consumer Price Index (CPI-W). The 2000 benefit increase was 3.5 percent. These cost-of-living adjustments are applied to the benefit for each year after the person attained age 62—even if the person was not actually receiving benefits.

*To give credit for earnings after age 61.* Earnings after age 61 (which are not indexed) can be substituted for earnings in earlier years if they result in a higher benefit. In addition, persons who do not receive benefits between ages 65 and 69 may receive increased benefits as a result of the Delayed Retirement Credit (DRC) provision. The benefit is increased by a specified percentage for each month a benefit was not received (See table 2.A20 for percentage increase).

### **Clarifying the Worksheet Procedure**

### Step 1 - Determining the Number of Computation Years

For persons who attain age 62 prior to 1991, the number of years used in the benefit computation equals the number of years after 1950 up to the year of attainment of age 62, minus 5 years. For workers who attain age 62 in 1991 or later, the number of computation years is 35.

### Step 2 - Wage Indexing of Earnings

The following description and examples are provided for persons who wish to compute the index factors and indexed earnings. The indexing year is the second year prior to attainment of age 62. However, beneficiaries born on January 1 are deemed to have attained age 62 in the prior year, and consequently, the applicable indexing year, factors, and bend points are those for that year.

The average wage for the indexing year is divided by the average wage in each prior year to obtain the factor for each prior year. For example, a person attains age 62 in 2001. The indexing year is 1999. The average annual wage for 1999 was \$30,469.84. The average annual wage for 1990 was \$21,027.98. The amount, \$30,469.84 divided by \$21,027.98, yields a factor of 1.4490141.

The worker's actual earnings covered under Social Security in that year, up to the maximum earnings creditable, are multiplied by the indexing factor to obtain the indexed earnings. For example, actual covered earnings of \$10,000 in 1990, multiplied by 1.4490141, result in indexed earnings of \$14,490.14; actual earnings of \$51,300 (the maximum creditable) result in indexed earnings of \$74,334.42.

## Step 3 - Computing the Average Indexed Monthly Earnings (AIME)

After the earnings in each year have been indexed, they are used in computing Average Indexed Monthly Earnings. The years of highest indexed earnings corresponding to the number of computation years are selected and totaled. This total is then divided by the years. The result, rounded to the nearest lower dollar, is Average Indexed Monthly Earnings.

For example, for a person attaining age 62 in 2001, the highest 35 years of indexed earnings are used. If the sum of these earnings equals 400,000, the AIME is 952 (400,000 divided by 420 = 952.38, rounded to 952).

### Step 4 - Computing the Primary Insurance Amount (PIA)

The PIA, the amount from which all Social Security benefits payable on a worker's earnings record are based, is computed by applying a formula to the AIME. The formula consists of brackets in which 3 percentages are applied to amounts of AIME. The dollar amounts defining the brackets are called bend points, and the bend points are different for each calendar year of attainment of age 62. The PIA is rounded to the nearest lower ten cents.

For retired workers who attained age 62 in 2001, the bend points are \$561 and \$3,381. Thus the formula is 90 percent of the first \$561 of AIME; plus 32 percent of next \$2,820 of AIME; plus 15 percent of AIME above \$3,381. The following are examples of PIA computations for such workers with different AIME amounts.

Example 1 - AIME of \$300 PIA is \$270 Based on: 90 percent of \$300

Example 2 - AIME of \$952 PIA is \$630.02 rounded to \$630.00 Based on: 90 percent of \$561 (\$504.90); plus 32 percent of \$391 (\$125.12)

Example 3 - AIME of \$3,500 PIA is \$1,425.15 rounded to \$1,425.10 Based on: 90 percent of \$561 (\$504.90); plus 32 percent of \$2,820 (\$902.40); plus 15 percent of \$119 (\$17.85) The above calculations are applicable to workers who attain age 62 in 2001. For workers who attained age 62 in prior years, the bend points will be different and the PIA must be increased to reflect cost-of-living adjustments between the year of attainment of age 62 and the year 2001. Worksheet 2 shows cost-of-living increase factors for 1979 through 2001. After the PIA is calculated for the year of attainment of age 62, cost-of-living increases are applied for each year through 2000. The result is the current 2001 PIA.

For example, a worker who attained age 62 in 1998 would receive cost-of-living adjustments for the years 1998–2000. The adjustments are cumulative, with each step rounded to the next lower dime. If the age 62 PIA was \$500, the cost-of-living adjustments would be:

1998: \$500 multiplied by 1.013 = \$506.50 1999: \$506.50 multiplied by 1.024 = \$518.60 2000: \$518.60 multiplied by 1.035 = \$536.70

\$536.70 would be the PIA effective December 2000.

### Step 5 - Computation of the Monthly Benefit

The full PIA is payable to a worker who retires at age However, beginning in the year 2000, the full 65. retirement age scheduled to be gradually raised to age 67 for workers attaining age 62 in 2022 began to be phased in. Workers can still retire as early as age 62, but the monthly benefit is reduced by 5/9 of 1 percent for each of the first 36 months of entitlement immediately preceding the full retirement age plus 5/12 of 1 percent for each of up to 24 earlier months. Workers attaining age 62 in 2001 have their benefits computed based on the full retirement age of 65 and 4 months. Worksheet 3 may be used to determine the full retirement age based on the year of birth as well as the reduction factors. For individuals electing benefits at exactly age 62 in the year 2001, the maximum reduction is 21.66667 percent.

For example, in 2001 a worker with a PIA of \$500 would receive \$391 at age 62. The PIA is reduced by \$108.33, reflecting a reduction rate of 5/9 of 1 percent for each of 36 months and a rate of 5/12 of 1 percent for each of 4 months for a total reduction of 21.66667 percent. After reduction of the PIA by \$108.33, the benefit amount is rounded down to the nearest lower dollar.

# Instructions for computing a retired-worker benefit (only for workers attaining age 62 in years 1988–2001)

STEP 1	.—Determining the Number of Computation Years	
1	Year of birth. (If your birthday is January 1, enter prior year.)	
2	Age "62" has been entered.	62
3	Add lines 1 and 2 to obtain year of attainment of age 62 (year of eligibility).	
4	Year of attainment of age 22. If 1951 or earlier, enter 1951.(If your birthday is January 1, enter prior year.)	
5	Subtract line 4 from line 3 (elapsed years).	
6	"5" (drop-out years) has been entered.	5
7	Subtract line 6 from line 5 (computation years-maximum 35).	
STEP 2.		
8	Enter in column 2 your earnings in each year 1951 through 2000. If none, enter "0."	
9	Column 3 contains the maximum earnings creditable under Social Security for each year.	
10	Enter in column 4 the lower amount from columns 2 or 3 for each year.	
11	Enter in column 5 the indexing factors applicable to the year you attained age 62 (line 3) from table 2.A8.	
	(This table contains the indexing factors for persons attaining age 62 during the period 1988-2001.)	
12	Multiply column 4 by column 5 and enter results in column 6 in dollars and cents. These are your indexed	
	earnings.	
STEP 3.	—Computing the Average Indexed Monthly Earnings (AIME)	
13	Enter the number of computation years from line 7.	
14	Place an "X" in column 7 next to the highest indexed earnings corresponding with the number of computation years from line 13.	
15	Add all individual indexed earnings marked with an "X."	
16	Multiply line 13 (computation years) by 12 to obtain the number of months in the computation period.	
17	Divide line 15 by line 16.	
18	Round the result in line 17 to next lower dollar. This is your average indexed monthly earnings (AIME).	
STEP 4.	-Computing the Primary Insurance Amount (PIA) (Use Worksheet 2 for Step 4.)	
19	Enter first bend point from Worksheet 2 based on year of attainment of age 62, or prior year if birthday is	
	January 1.	
20	Enter second bend point from Worksheet 2.	
21	If your AIME (obtained in line 18) is equal to or less than line 19, complete lines 22–24; If greater than line 19	
	but less than or equal to line 20, complete lines 25–30; If greater than line 20, complete lines 31–37.	
22	Enter your AIME from line 18.	
23	"0.9" has been entered. If you receive a pension based on noncovered employment see table 2.A11.1.	0.9
24	Multiply line 22 by line 23 and round to next lower dime to obtain your PIA at age 62. Continue with line 38.	
25	Enter your AIME from line 18.	
26	Multiply line 19 by 0.9. If you receive a pension based on noncovered employment see table 2.A11.1.	
27	Subtract line 19 from line 25.	
28	"0.32" has been entered.	0.32
29	Multiply line 27 by line 28.	
30	Add lines 26 and 29 and round to next lower dime to obtain your PIA at age 62. Continue with line 38.	
31	Enter your AIME from line 18.	
32	Multiply line 19 by 0.9. If you receive a pension based on noncovered employment see table 2.A11.1.	
33	Subtract line 19 from line 20 and multiply by 0.32.	
34	Subtract line 20 from line 31.	
35	"0.15" has been entered.	0.15
36	Multiply line 34 by line 35.	
37	Add lines 32, 33, and 36 and round to next lower dime to obtain your PIA at age 62. Continue with line 38.	
38	If you attained age 62 in 2001, skip to line 44. Otherwise you will need to adjust your PIA to reflect cost-of-	
	living adjustments (COLAs) from the year you attained age 62 through 2000 by using lines 39-43 and	
	Worksheet 2.	
39	Enter year of attainment of age 62 from line 3.	
40	Place an "X" corresponding to the year you attained age 62 in column 5, Worksheet 2.	

# Instructions for computing a retired-worker benefit (only for workers attaining age 62 in years 1988–2001)—*Continued*

41	Place an "X" in column 5 (Worksheet 2) next to each subsequent year through 2000.						
42	Enter your age 62 PIA from either line 24, 30, or 37—here and in shaded box in column 6, Worksheet 2.						
43	Beginning with first year marked, multiply your age 62 PIA by the corresponding factor (column 4), round to lower dime, and enter in column 6. The resulting PIA is then multiplied by the next factor and is again rounded to lower dime. Continue this process through 2000. Enter this last figure, which is your current PIA.						
STEP 5	-Computing the Monthly Benefit						
44	Enter your current PIA from either line 24, 30, 37, or 43.						
45	Using Worksheet 3, determine your full retirement age and enter here.						
46	If you retired at your full retirement age round PIA from line 44 to next lower dollar to obtain your monthly benefit.						
47	If you retired before the full retirement age enter your age at retirement including year and months.						
48	Subtract line 47 from line 45 and convert the result to months to determine the total number of reduction months.						
49	If line 48 is greater than 36 subtract 36 and enter the number here.						
50	"0.0055556" (the decimal equivalent of 5/9ths of 1 percent—the monthly reduction factor for the first 36 months) has been entered.	0.0055556					
51	"0.0041667" (the decimal equivalent of 5/12ths of 1 percent—the monthly reduction factor for months above 36) has been entered.	0.0041667					
52	Multiply line 48 (but not more than 36) by line 50 to obtain the percentage reduction for the first 36 months.						
53	Multiply line 49 by line 51 to obtain the percentage reduction for months in excess of 36.						
54	Add lines 52 and 53 to obtain the total percentage reduction.						
55	Multiply line 44 by line 54 to obtain the amount of benefit reduction.						
56	Subtract line 55 from line 44 and round to next lower dollar to obtain your monthly benefit.						

### Worksheet 1: Indexing of earnings

Worksheet 2: Computing the primary insurance amount (PIA) for workers retiring after age 62

Normania       Inversion earning       Column baseling       Highest columns       In       In       Earning       Column baseling       In       Earning       Column baseling       In       Earning       Column baseling       In       Earning       Column baseling       Columns       Earning         1953       3.800       5.800       5.800       5.800       1.005       1	1	2	3	4	5	6	7			1	2	3	4	5	6
Year       gearnings       2 ar       3 factor       column 8       gearning 4       point       increase       Rator       Age 62         1953       3.860       -       -       -       -       -       Age 62       -       -       -       Age 62       -		Your	Maximum taxable	Lower of columns	Indexing	Column 4 times	Highest indexed			1st bend	2nd bend	Cost-of- living	Cost-of- living	-	-
1951       3.600       5180       51.06       9.9       1093         1952       3.600       1980       194       1.171       1.4.3       1.43         1955       4.200       1982       20       1.388       7.4       1.074         1955       4.200       1982       220       1.388       7.4       1.074         1958       4.200       1982       220       1.388       7.4       1.074         1958       4.200       1982       220       1.388       7.4       1.074         1958       4.200       1984       267       1.512       3.1       1.031         1958       4.800       1985       2.20       6.81       3.1       1.031         1964       4.800       1985       2.44       7.1       1.047         1965       4.800       1989       3.07       1.041       1.042         1966       4.800       1989       3.08       1.031       1.031         1967       6.600       1989       3.02       1.032       1.031         1977       7.800	Year	earnings	earnings	2 or 3	factor	column 5	earnings	Year		point	point	increase	factor		
1952       3,600       1974       3180       51,085       94       1.089         1954       3,600       1964       1,771       14,3       1.143         1955       4,200       1981       2,11       1,274       1,388       7,4       1,074         1956       4,200       1985       254       1,528       5       1,035         1958       4,200       1985       257       1,612       3,5       1,035         1959       4,800       1985       250       1,661       3,1       1,031         1962       4,800       1986       297       1,790       1,3       1,013         1962       4,800       1986       39       1,222       4,0       1,047         1962       4,800       1986       39       0,130       1996       303       0,130         1966       4,800       1996       366       2,145       5,4       1,021         1967       6,600       1997       367       2,333       1,037       1,032         1977       7,800       1996       457	1951		\$3,600							<b>*</b> / * *	<b>•</b> • • • • •				Age 62
1953   3,600   194   1,1/1   1,43   1,143     1955   3,600   1961   211   1,274   1,2   1,12     1955   4,200   1962   230   1,388   3,5   1,035     1957   4,200   1962   254   1,528   3,5   1,035     1958   4,800   1984   267   1,613   3,1   1,031     1959   4,800   1986   287   1,613   3,1   1,031     1961   4,800   1986   287   1,736   1,22   4,0   1,040     1962   4,800   1986   393   2,044   4,7   1,047     1963   4,800   1986   393   2,044   4,7   1,047     1964   4,800   1999   366   2,145   5,4   1,040     1965   4,800   1999   366   2,145   5,4   1,046     1966   6,600   1993   401   2,420   2,8   1,028     1967   7,800   1994   452   2,667   2,6   1,026     1977   7,800   1996   437   2,265   2,8   1,028     1974   13,200   1,4	1952		3,600					19	79	\$180	\$1,085	9.9	1.099		
1995       3,000       1991       211       1,274       1,122       1,112         1956       4,200       1982       220       1,588       7,4       1,074         1957       4,200       1983       254       1,528       3,5       1,335         1958       4,200       1691       3,1       1,31       1,31         1959       4,800       1696       280       1,691       3,1       1,031         1962       4,800       1986       297       1,790       1,3       1,041         1964       4,800       1986       319       1,922       4,0       1,040         1986       4,800       1986       319       1,922       4,0       1,040         1986       4,800       1991       302       2,440       1,041       1,941         1986       6,600       1,990       365       2,145       5,4       1,026         1987       7,800       1992       387       2,333       3,1       1,021         1977       7,800       1996       455       2,91       1,021 </td <td>1953</td> <td></td> <td>3,600</td> <td></td> <td></td> <td></td> <td></td> <td>19</td> <td>80</td> <td>194</td> <td>1,171</td> <td>14.3</td> <td>1.143</td> <td></td> <td></td>	1953		3,600					19	80	194	1,171	14.3	1.143		
1855     4,200     1987     2.30     1,388     7.4     1.0.14       1957     4,200     1983     2.54     1,528     3.5     1.035       1957     4,200     1984     2.67     1,612     3.5     1.035       1959     4,800     1384     267     1,612     3.5     1.035       1960     4,800     1386     2.00     1.38     1.031     1.031       1962     4,800     1388     319     1.922     4.0     1.040       1963     2.48     0.00     1388     319     1.922     4.0     1.040       1964     4,800     1983     319     1.922     4.0     1.040       1965     4,800     1990     36     2.145     5.4     1.026       1966     6,600     1991     370     2.333     3.0     1.030       1967     6,600     1992     372     2.65     2.8     1.026       1977     7,800     1994     42     2.567     2.6     1.026       1974     13,800     1.031     1.013	1954		3,600					198	31	211	1,274	11.2	1.112		
1950   4,200   1984   264   1,52   3,5   1,035     1958   4,200   1884   267   1,612   3,1   1,013     1950   4,800   1885   280   1,681   3,1   1,013     1960   4,800   1986   297   1,790   1,3   1,013     1961   4,800   1986   297   1,790   1,3   1,013     1962   4,800   1986   297   1,790   1,3   1,013     1965   4,800   1986   297   1,790   1,3   1,013     1965   4,800   1989   339   2,044   4,7   1,047     1964   4,800   1999   368   2,144   4,7   1,047     1965   4,800   1991   370   2,230   3,7   1,030     1966   7,800   1993   401   2,420   2,6   1,026     1970   7,800   1996   47   2,43   1,013   1,013     1971   7,800   1996   3,7   2,33   1,013   1,013     1974   13,200   2,41   1,24   1,042   2,45   1,41     1977   15,500   3	1955		4,200					198	32	230	1,388	7.4	1.074		
1959   4,200   1984   267   1,612   3.5   1.033     1959   4,800   1986   267   1,70   1.3   1.031     1959   4,800   1986   297   1,70   1.3   1.013     1959   4,800   1986   297   1,70   1.3   1.013     1961   4,800   1986   303   2.044   4.7   1.047     1962   4,800   1989   339   2.044   4.7   1.047     1964   4,800   1990   366   2.145   5.4   1.054     1965   4,800   1991   370   2.333   3.0   1.031     1966   6,600   1993   367   2.145   5.4   1.054     1968   7,800   1992   372   2.33   3.0   1.031     1977   7,800   1994   422   2.545   2.8   1.028     1977   7,800   1995   6.3   1.33   1.013     1977   13.00   1995   6.3   1.32   1.021     1977   14.100   106   3.043   2.4   1.024     1974   13.200   3.043   2.4   1.024 <tr< td=""><td>1956</td><td></td><td>4,200</td><td></td><td></td><td></td><td></td><td>198</td><td>33</td><td>254</td><td>1,528</td><td>3.5</td><td>1.035</td><td></td><td></td></tr<>	1956		4,200					198	33	254	1,528	3.5	1.035		
1959     4,000     1960     2.00     1.917     3.1     1.031       1960     4,800     1986     2.97     1.790     1.3     1.013       1960     4,800     1987     3.10     1.866     4.2     1.042       1962     4,800     1989     3.39     2.044     4.7     1.047       1964     4,800     1990     3.66     2.2     1.054       1965     4,800     1990     3.67     2.333     .0     1.037       1965     6,600     1991     3.7     1.237     1.037       1966     6,600     1993     401     2.420     2.6     1.026       1968     7,800     1995     4.6     2.647     2.8     1.026       1970     7,800     1996     4.37     2.635     2.9     1.029       1971     7,800     1997     4.55     2.741     2.1     1.021       1973     10,800     1999     6.53     3.032     3.5     1.035       1975     14,100     1.500     1.501     1.021     1.021	1957		4,200					19	34	267	1,612	3.5	1.035		
1850     4,800     1890     2.97     1,7.90     1.3     1.0.3       1960     4,800     1987     1,9.60     1.2     1.0.40       1962     4,800     1989     3.39     2,044     4.7     1.0.47       1965     4,800     1990     3.66     2,145     5.4     1.054       1965     4,800     1990     3.66     2,145     5.4     1.054       1966     6,600     1993     401     2,420     2.6     1.026       1966     7,800     1993     401     2,420     2.6     1.026       1966     7,800     1994     422     2,545     2.8     1.028       1970     7,800     1996     426     2,567     2.6     1.026       1971     7,800     1997     437     2,363     3.0     1.031       1971     7,800     1997     437     2,363     1.021     1.021       1977     10,800     2000     531     3,202     3.5     1.035       1976     17,700     1.2     2.200     531     3,	1958		4,200					19	35	280	1,691	3.1	1.031		
1800       1800       1807       1808       1808       1802       1.042         1961       4.800       1898       319       1.602       1.040         1962       4.800       1898       319       1.622       4.00         1966       4.800       1990       356       2.145       5.4       1.054         1966       6.600       1991       370       2.230       3.7       1.037         1967       6.600       1993       401       2.420       2.64       1.026         1968       7.800       1993       437       2.635       2.8       1.028         1970       7.800       1995       426       2.567       2.6       1.028         1971       7.800       1995       437       2.633       2.9       1.029         1971       7.800       1995       437       2.635       3.043       2.4       1.024         1973       1.800       1999       505       3.043       2.4       1.024         1976       14.300       1984       3.700       1.045       1.045	1959		4,800					19	36	297	1,790	1.3	1.013		
1962       4,800       1983       3.19       2,624       4.0       1.040         1962       4,800       1989       3.39       2,044       5.4       1.054         1964       4,800       1989       3.66       2,145       5.4       1.054         1966       4,800       1990       3.66       2,145       5.4       1.054         1966       6,600       1993       401       2,420       2.6       1.026         1967       6,600       1993       401       2,257       2.6       1.028         1969       7,800       1995       426       2,741       2.1       1.021         1971       7,800       1995       426       3,74       1.024         1973       10,800       2000       531       3,202       3.5       1.035         1974       13,200       2001       561       3,381           1975       14,100       2000       531       3,202       3.5       1.035         1986       23,000       25900       3,861	1960		4,800					19	57	310	1,000	4.2	1.042		
1963       4,800       1963       339       2,334       4,7       1,047         1964       4,800       1960       366       2,145       4       1,054         1965       4,800       1991       370       2,230       3,7       1,037         1965       6,600       1992       387       2,333       3,0       1,030         1967       6,600       1994       422       2,245       2,8       1,026         1969       7,800       1995       426       2,567       2,8       1,026         1977       7,800       1996       437       2,635       2,9       1,026         1974       13,200       1997       555       3,043       2,4       1,024         1975       14,100       1999       555       3,043       2,4       1,024         1975       14,100       1996       513       3,203       2,4       1,024         1976       15,300       1997       16,500       1,381           1982       32,400       1561       3,381	1901		4,800					19	50	319	1,922	4.0	1.040		
1964       4,800       1965       3.00       2,143       3.7       1.037         1965       4,800       1991       370       2,233       3.0       1.037         1966       6,600       1993       401       2,420       2.6       1.026         1968       7,800       1994       422       2,547       2.6       1.028         1977       7,800       1995       426       2,741       2.1       1.029         1972       9,000       1995       426       3,75       1.3       1.013         1973       10,800       1998       477       2,657       2.6       1.024         1973       10,800       2000       531       3.202       3.5       1.035         1974       13,200       201       561       3.381           1975       14.100       22,900       531       3.202       3.5       1.035         1980       22,900       153.3       3.700       1.04       1.04         1982       32,400       1.024       1.04       1.04       1.04	1902		4,000					19	59	339	2,044	4.7 5.4	1.047		
1965     4,800     1991     377     2,233     3.0     1.037       1966     6,600     1993     401     2,420     2.6     1.026       1967     6,600     1994     422     2,545     2.8     1.028       1968     7,800     1994     422     2,545     2.8     1.028       1970     7,800     1994     422     2,545     2.8     1.028       1971     7,800     1996     437     2,635     2.9     1.029       1973     10,800     1999     505     3,043     2.4     1.024       1975     14,100     1999     505     3,043     2.4     1.024       1976     15,300     133     1.013     1.013     1.013       1976     15,300     1.020     531     3.381         1980     25,900     133     3.670     1.035     1.035       1981     22,000     5500     1.036     1.045     1.045       1984     45,000     1997     43,800     1.045     1.045     1.045 </td <td>1963</td> <td></td> <td>4,800</td> <td></td> <td></td> <td></td> <td></td> <td>19</td> <td>90</td> <td>300</td> <td>2,145</td> <td>5.4 2.7</td> <td>1.054</td> <td></td> <td></td>	1963		4,800					19	90	300	2,145	5.4 2.7	1.054		
1965     4,000     1932     30     1,030       1966     6,600     1933     401     2,433     3.0     1,026       1967     6,600     1994     422     2,545     2.8     1,026       1968     7,800     1995     426     2,635     2.9     1,026       1970     7,800     1996     437     2,635     2.9     1,026       1971     7,800     1998     477     2,675     1.3     1,013       1972     9,000     1998     477     2,875     1.3     1,013       1974     13,200     551     3,302     3.5     1,035       1976     14,100     2000     531     3,202     3.5     1,035       1976     15,300     2900     561     3,381         1980     22,900     550     3,043     2.4     1,024       1981     22,900     55,00          1982     39,600     1,300          1984     40,000	1964		4,800					19	91	370	2,230	3.7	1.037		
1300       0.000       1933       472       2.420       2.00         1967       6.600       1994       422       2.545       2.8       1.028         1968       7.800       1995       426       2.657       2.8       1.026         1970       7.800       1996       437       2.635       2.9       1.029         1971       7.800       1996       437       2.635       2.9       1.021         1972       9.000       1998       477       2.875       1.3       1.013         1973       10.600       200       531       3.202       3.5       1.035         1974       13.200       2001       561       3.381           1975       14.100       2001       561       3.381           1978       17.700       1979       22,900       1981       2.9.70           1981       29,700       25.900       1.02            1982       39,600       1.987       43,800       1.997	1900		4,000					19	92 32	307	2,333	3.0 2.6	1.030		
1301       0.000       1968       7.600       1968       7.800       1996       426       2.56       2.6       1.025         1970       7.800       1996       437       2.635       2.6       1.025         1971       7.800       1997       455       2.74       1.021       1.021         1972       9.000       1999       505       3.043       2.4       1.024         1973       10.800       2000       531       3.202       3.5       1.035         1975       14.100       2000       561       3.361           1976       15.300       2000       561       3.381           1977       16.600       1979       2.2900       1981       2.9,700       1981       2.9,700         1982       23.400       2.000       561       3.361           1984       37.600       1986       42.000       1981       1.014       1.014         1985       3.600       1.025       1.025       1.025       1.025         19	1067		6,000					19	33	401	2,420	2.0	1.020		
1300     1900     1900     2.0     1020       1969     7,800     1997     2.0     1021       1971     7,800     1998     455     2,741     2.1     1021       1972     9,000     1998     477     2,875     1.3     1013       1972     9,000     531     3,202     3.5     1.035       1974     13,200     561     3,381         1975     14,100     2000     531     3,202     3.5     1.035       1976     15,300     2001     561     3,381         1978     27,700     29     3.5     1.035     201     561     3,381        1982     32,400     1983     35,700     1984     3,600     1986     1987     1,300       1984     37,600     51,300     1986     45,000     1987     1,300     1987       1986     42,000     55,500     1986     61,200     1,400     1,400     1,400       1984     60,600     1984     60,600     1	1068		7 800					19	94 05	422	2,545	2.0	1.020		
1390     7,800     1390     455     2,741     2,1     1,021       1970     7,800     1998     477     2,875     1,3     1,013       1972     9,000     2000     531     3,202     35     1,035       1974     13,200     201     561     3,381         1975     14,100     2000     531     3,202     35     1,035       1977     16,500     2001     561     3,381         1978     17,700     155     3,601          1980     22,900     2990     561     3,381         1981     29,700     1982     32,400          1982     32,400            1986     42,000            1986     42,000            1986     42,000	1060		7,000					19	95	420	2,007	2.0	1.020		
1370     7,800     1391     1,303     2,141     2,1     1,021       1971     7,800     1998     473     2,747     2,1     1,021       1972     9,000     1999     473     2,741     2,1     1,024       1973     10,800     200     531     3,202     3,5     1,035       1975     14,100     2001     561     3,381         1976     15,300     2001     561     3,381         1977     16,500     2000     561     3,381         1980     22,900     25,900     1983     35,700         1982     32,400     386     42,000          1985     39,600            1986     42,000            1986     42,000            1987     53,400       <	1070		7,000					19	30	457	2,035	2.9	1.029		
1372     9,000     1393     1,03     1,24     1,024       1973     10,800     200     5,31     3,202     3,5     1,035       1974     13,200     201     561     3,381         1975     14,100     2001     561     3,381         1975     15,300     2001     561     3,381         1976     15,300     2001     561     3,381         1977     16,500     2000     561     3,381         1980     25,900     25,900     25,900          1981     29,700     3,57,00           1982     32,400     3,800           1984     37,800            1989     45,000            1989     61,200	1071		7,000					10	28	433	2,741	13	1.021		
1973     10,800     1093     5,043     2.4     1,024       1973     10,800     2000     531     3,202     3.5     1,035       1974     13,200     201     561     3,381         1975     14,100     561     3,381          1976     15,300     2201     561     3,381         1977     16,500     22,900     561     3,381         1981     29,700     25,900           1982     32,400            1983     35,700            1984     37,800            1985     39,600            1986     42,000            1981     53,400	1072		000,7					19	30	477 505	2,075	1.5	1.013		
1974   13,200   2001   531   5,202   5,3   1,035     1975   14,100   2001   561   3,381       1976   15,300   561   3,381       1977   16,500   1978   17,700     1978   17,700   22,900       1980   25,900       1981   29,700       1982   32,400       1983   35,700       1984   42,000       1985   39,600       1986   42,000       1987   43,800       1989   55,500       1989   57,600       1994   60,600       1995   61,200       1996   62,700       1997   65,400       1998   68,400       1999   7,600       1999   7,600	1072		10 800					19	99	505	3,043	2.4	1.024		
1375   14,100     1975   14,100     1976   15,300     1977   16,500     1978   17,700     1979   22,900     1980   25,900     1981   29,700     1982   32,400     1983   35,700     1984   37,800     1985   39,600     1986   42,000     1987   43,800     1988   45,000     1999   51,300     1999   55,500     1993   57,600     1994   60,600     1995   61,200     1996   62,700     1997   65,400     1998   68,400     1999   72,600     2000   76,200	1973		13 200					20	50 D1	561	2 2 2 2 1	5.5	1.055		
1010     14,100       1976     15,300       1977     16,500       1978     17,700       1979     22,900       1980     25,900       1981     29,700       1982     32,400       1983     35,700       1984     37,800       1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1999     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1974		14 100					20	51	501	3,301				
1010     10,000       1977     16,500       1978     17,700       1979     22,900       1980     25,900       1981     29,700       1982     32,400       1983     35,700       1984     37,800       1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     43,000       1989     51,300       1999     51,300       1999     55,500       1999     66,2700       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1975		15 300												
1378     17,700       1979     22,900       1980     25,900       1981     29,700       1982     32,400       1983     35,700       1984     37,800       1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     67,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1970		16,500												
1379     22,900       1980     25,900       1981     29,700       1982     32,400       1983     35,700       1984     37,800       1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1978		17,300												
1380     22,000       1981     29,700       1982     32,400       1983     35,700       1984     37,800       1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1979		22 900												
1981     29,700       1982     32,400       1983     35,700       1984     37,800       1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1980		25,900												
1882     32,400       1983     35,700       1984     37,800       1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1981		29,000												
1983     35,700       1984     37,800       1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1982		32 400												
1884     37,800       1885     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1983		35,700												
1985     39,600       1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1984		37,800												
1986     42,000       1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1985		39,600												
1987     43,800       1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1986		42,000												
1988     45,000       1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1987		43.800												
1989     48,000       1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1988		45.000												
1990     51,300       1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1989		48.000												
1991     53,400       1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1990		51,300												
1992     55,500       1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1991		53,400												
1993     57,600       1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1992		55,500												
1994     60,600       1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1993		57,600												
1995     61,200       1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1994		60,600												
1996     62,700       1997     65,400       1998     68,400       1999     72,600       2000     76,200	1995		61,200												
1997     65,400       1998     68,400       1999     72,600       2000     76,200	1996		62,700												
1998     68,400       1999     72,600       2000     76,200	1997		65,400												
1999   72,600     2000   76,200	1998		68,400												
2000 76,200	1999		72,600												
	2000		76,200												

Worksheet 3: Determining t	he full retirement age
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Year of birth <sup>1</sup>	Year of attainment of age 62	Year of attainment of age 65	Full retirement age	Maximum reduction months	Maximum reduction at age 62 <sup>2</sup>
1935	1997	2000	65 years	36	0.2000000
1936	1998	2001	65 years	36	0.2000000
1937	1999	2002	65 years	36	0.2000000
1938	2000	2003	65 years and 2 months	38	0.2083333
1939	2001	2004	65 years and 4 months	40	0.2166667
1940	2002	2005	65 years and 6 months	42	0.2250000
1941	2003	2006	65 years and 8 months	44	0.2333333
1942	2004	2007	65 years and 10 months	46	0.2416667
1943–1954	2005–2016	2008-2019	66 years	48	0.2500000
1955	2017	2020	66 years and 2 months	50	0.2583333
1956	2018	2021	66 years and 4 months	52	0.2666667
1957	2019	2022	66 years and 6 months	54	0.2750000
1958	2020	2023	66 years and 8 months	56	0.2833333
1959	2021	2024	66 years and 10 months	58	0.2916667
1960 or later	2022 and later	2025 and later	67 years	60	0.3000000

If your birthday is January 1, refer to previous year.
 The monthly reduction factor for the first 36 months is .0055556 and .0041667 for additional months.

CONTACT: Joseph Bondar/Curt Pauzenga (410) 965-0162/7210 for futher information.

### Table 2.A8.—Factors for indexing earnings, 1951–2001

	Annual maximum	Average	Fact	ors <sup>2</sup> for workers v	vho were first eli	gible (attained age	e 62, became dis	abled, or died) in	_
Year	taxable earnings	annual wage <sup>1</sup>	1988	1989	1990	1991	1992	1993	1994
1951	\$3,600	\$2,799.16	6.1882208	6.5828713	6.9070864	7.1805649	7.5122465	7.7921948	8.1936795
1952	3,600	2,973.32	5.8257503	6.1972845	6.5025090	6.7599687	7.0722223	7.3357728	7.7137409
1953	3,600	3,139.44	5.51/48/2	5.8693621	6.1584359	6.4022724	6.6980035	6.9476085	7.3055768
1954	3,600	3,155.64	5.4891623	5.8392307	6.1268205	6.3694053	6.6636182	6.9119418	7.2680724
1955	4,200	3,301.44	5.2467469	5.5813554	5.8562445	6.0881161	6.3693358	6.6066928	6.9470958
1956	4,200	3,532.36	4.9037527	5.2164870	5.4734059	5.6901194	5.9529550	6.1747953	6.4929452
1957	4,200	3,641.72	4.7564942	5.0598371	5.3090408	5.5192464	5.7741891	5.9893677	6.2979636
1958	4,200	3,673.80	4.7149600	5.0156541	5.2626817	5.4710518	5.7237683	5.9370679	6.2429691
1959	4,200	3,855.80	4.4924062	4.7789071	5.0142746	5.2128093	5.4535972	5.6568287	5.9482909
1960	4,800	4,007.12	4.3227605	4.5984423	4.8249216	5.0159591	5.2476542	5.4432111	5.7236669
1961	4,800	4,086.76	4.2385215	4.5088310	4.7308968	4.9182115	5.1453915	5.3371375	5.6121279
1962	4,800	4,291.40	4.0364030	4.2938225	4.5052990	4.6836813	4.9000280	5.0826304	5.3445076
1963	4,800	4,396.64	3.9397858	4.1910436	4.3974581	4.5715706	4.7827386	4.9609702	5.2165790
1964	4,800	4,576.32	3.7850981	4.0264907	4.2248007	4.3920770	4.5949540	4.7661877	5.0117605
1965	4,800	4,658.72	3.7181500	3.9552731	4.1500756	4.3143932	4.5136819	4.6818869	4.9231162
1966	6,600	4,938.36	3.5076058	3.7313015	3.9150730	4.0700860	4.2580897	4.4167699	4.6443394
1967	6,600	5,213.44	3.3225318	3.5344245	3.7084996	3.8553335	4.0334175	4.1837251	4.3992872
1968	7,800	5,571.76	3.1088597	3.3071256	3.4700059	3.6073969	3.7740283	3.9146697	4.1163690
1969	7,800	5,893.76	2.9390101	3.1264439	3.2804254	3.4103102	3.5678378	3.7007954	3.8914751
1970	7,800	6,186.24	2.8000563	2.9786284	3.1253298	3.2490738	3.3991536	3.5258251	3.7074895
1971	7,800	6,497.08	2.6660931	2.8361218	2.9758045	3.0936282	3.2365278	3.3571389	3.5301120
1972	9,000	7,133.80	2.4281337	2.5829866	2.7102021	2.8175096	2.9476548	3.0575009	3.2150355
1973	10,800	7,580.16	2.2851523	2.4308867	2.5506111	2.6515997	2.7740813	2.8774591	3.0257171
1974	13,200	8,030.76	2.1569341	2.2944914	2.4074982	2.5028204	2.6184296	2.7160070	2.8559464
1975	14,100	8,630.92	2.0069494	2.1349416	2.2400903	2.3287842	2.4363544	2.5271466	2.6573552
1976	15,300	9,226.48	1.8774029	1.9971333	2.0954947	2.1784635	2.2790902	2.3640218	2.4858256
1977	16,500	9,779.44	1.7712487	1.8842091	1.9770089	2.0552864	2.1502233	2.2303527	2.3452693
1978	17,700	10,556.03	1.6409408	1.7455909	1.8315636	1.9040823	1.9920349	2.0662692	2.1727316
1979	22,900	11,479.46	1.5089403	1.6051722	1.6842290	1.7509142	1.8317917	1.9000545	1.9979529
1980	25,900	12,513.46	1.3842550	1.4725352	1.5450595	1.6062344	1.6804289	1.7430511	1.8328600
1981	29,700	13,773.10	1.2576559	1.3378622	1.4037537	1.4593338	1.5267427	1.5836377	1.6652330
1982	32,400	14,531.34	1.1920318	1.2680530	1.3305063	1.3831863	1.4470778	1.5010040	1.5783417
1983	35,700	15,239.24	1.1366590	1.2091489	1.2687011	1.3189339	1.3798575	1.4312787	1.5050239
1984	37,800	16,135.07	1.0735510	1.1420161	1.1982619	1.2457058	1.3032469	1.3518132	1.4214639
1985	39,600	16,822.51	1.0296811	1.0953484	1.1492958	1.1948009	1.2499906	1.2965723	1.3633768
1986	42,000	17,321.82	1.0000000	1.0637745	1.1161668	1.1603602	1.2139590	1.2591979	1.3240768
1987	43,800	18,426.51	1.0000000	1.0000000	1.0492513	1.0907953	1.1411808	1.1837076	1.2446969
1988	45,000	19,334.04	1.0000000	1.0000000	1.0000000	1.0395939	1.0876144	1.1281450	1.1862715
1989	48,000	20,099.55	1.0000000	1.0000000	1.0000000	1.0000000	1.0461916	1.0851785	1.1410912
1990	51,300	21,027.98	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0372656	1.0907096
1991	53,400	21,811.60	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0515240
1992	55,500	22,935.42	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
1993	57,600	23,132.67	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
1994	60,600	23,753.53	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
1995	61,200	24,705.66	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
1996	62,700	25,913.90	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
1997	65,400	27,426.00	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
1998	68,400	28,861.44	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
1999	72,600	30,469.84	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
2000	76.200		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
2001	80,400		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
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See footnotes at end of table.

#### Table 2.A8.—Factors for indexing earnings, 1951–2001—Continued

Annual maximum Averac			Factors <sup>2</sup> for workers who were first eligible (attained age 62, became disabled, or died) in—							
Year	taxable earnings	annual wage <sup>1</sup>	1995	1996	1997	1998	1999	2000	2001	
1951	\$3,600	\$2,799.16	8.2641471	8.4859494	8.8260978	9.2577416	9.7979394	10.3107504	10.8853513	
1952	3,600	2,973.32	7.7800809	7.9888912	8.3091157	8.7154763	9.2240324	9.7068059	10.2477500	
1953	3,600	3,139.44	7.3684065	7.5661679	7.8694481	8.2543065	8.7359529	9.1931809	9.7055016	
1954	3,600	3,155.64	7.3305795	1.52/325/	7.8290489	8.2119317	8.6911054	9.1459862	9.6556768	
1955	4,200	3,301.44	7.0068425	7.1948998	7.4832982	7.8492718	8.3072841	8.7420762	9.2292575	
1956	4,200	3,532.36	6.5487861	6.7245496	6.9940946	7.3361435	7.7642143	8.1705828	8.6259158	
1957	4,200	3,641.72	6.3521276	6.5226129	6.7840636	7.1158409	7.5310568	7.9252221	8.3668816	
1908	4,200	3,073.80	6.2900001 E 0004476	0.4000000	6.7246244	7.0007040	7.4002948	7.0000103	0.2930211	
1959	4,000	3,055.00	5.9994470	0.1004073	0.4074010	0.7207565	7.1129200	7.4052015	7.9023393	
1960	4,800	4,007.12	5.7728918	5.9278310	6.1654405	6.4669638	6.8443171	7.2025395	7.6039250	
1961	4,800	4,086.76	5.6603936	5.8123134	6.0452926	6.3409400	6.7109397	7.0621813	7.4557449	
1962	4,800	4,291.40	5.3904716	5.5351470	5.7570164	6.0385655	6.3909214	6.7254136	7.1002097	
1963	4,800	4,396.64	5.2614428	5.4026552	5.6192138	5.8940236	6.2379453	6.5644310	6.9302558	
1964	4,800	4,576.32	5.0548629	5.1905308	5.3985866	5.6626066	5.9930250	6.3066918	6.6581533	
1965	4,800	4.658.72	4,9654562	5.0987245	5.3031004	5.5624506	5.8870248	6.1951437	6.5403888	
1966	6.600	4.938.36	4.6842818	4.8100037	5.0028066	5.2474708	5.5536656	5.8443370	6.1700322	
1967	6,600	5,213.44	4.4371221	4.5562105	4.7388404	4.9705952	5.2606341	5.5359686	5.8444789	
1968	7,800	5,571.76	4.1517707	4.2632005	4.4340855	4.6509361	4.9223226	5.1799503	5.4686203	
1969	7,800	5,893.76	3.9249427	4.0302846	4.1918334	4.3968367	4.6533961	4.8969486	5.1698474	
1970	7 800	6 186 24	3 7393748	3 8397363	3 9936472	4 1889581	4 4333876	4 6654252	4 9254216	
1971	7,000	6 497 08	3 5604718	3 6560316	3 8025790	3 9885456	4 2212809	4 4422171	4 6897745	
1972	9,000	7 133 80	3 2426855	3 3297163	3 4631837	3 6325521	3 8445148	4 0457316	4 2711935	
1973	10,800	7 580 16	3 0517390	3 1336449	3 2592531	3 4186482	3 6181294	3 8074975	4 0196830	
1974	13,200	8,030.76	2.8805082	2.9578184	3.0763788	3.2268303	3.4151189	3.5938616	3.7941415	
1975	14,100	8,630.92	2.6802091	2.7521435	2.8624596	3.0024493	3.1776450	3.3439587	3.5303119	
1976	15,300	9,226.48	2.5072043	2.5744954	2.6776907	2.8086443	2.9725312	3.1281095	3.3024339	
1977	16,500	9,779.44	2.3654391	2.4289254	2.5262858	2.6498348	2.8044551	2.9512365	3.1157040	
1978	17,700	10,556.03	2.1914176	2.2502333	2.3404310	2.4548907	2.5981359	2.7341188	2.8864867	
1979	22,900	11,479.46	2.0151357	2.0692202	2.1521622	2.2574145	2.3891368	2.5141810	2.6542921	
1980	25,900	12,513.46	1.8486230	1.8982384	1.9743268	2.0708821	2.1917200	2.3064316	2.4349652	
1981	29,700	13,773.10	1.6795543	1.7246321	1.7937618	1.8814864	1.9912728	2.0954934	2.2122717	
1982	32,400	14,531.34	1.5919158	1.6346414	1.7001639	1.7833111	1.8873690	1.9861513	2.0968362	
1983	35,700	15,239.24	1.5179674	1.5587083	1.6211871	1.7004719	1.7996960	1.8938897	1.9994330	
1984	37,800	16,135.07	1.4336889	1.4721678	1.5311777	1.6060606	1.6997757	1.7887397	1.8884232	
1985	39,600	16,822.51	1.3751022	1.4120087	1.4686072	1.5404301	1.6303156	1.7156441	1.8112541	
1986	42,000	17,321.82	1.3354642	1.3713068	1.4262739	1.4960264	1.5833209	1.6661898	1.7590438	
1987	43,800	18,426.51	1.2554016	1.2890954	1.3407672	1.4063379	1.4883991	1.5662999	1.6535871	
1988	45,000	19,334.04	1.1964737	1.2285860	1.2778323	1.3403251	1.4185344	1.4927785	1.5759686	
1989	48,000	20,099.55	1.1509049	1.1817941	1.2291648	1.2892776	1.3645082	1.4359247	1.5159464	
1990	51 300	21 027 98	1 1000900	1 1296154	1 1748946	1 2323533	1 3042622	1 3725256	1 4490141	
1991	53 400	21 811 60	1 0605673	1 0890320	1 1326844	1 1880788	1 2574043	1 3232152	1 3969557	
1992	55,500	22,935,42	1.0086002	1.0356702	1.0771837	1,1298638	1.1957924	1.2583785	1.3285059	
1993	57.600	23,132.67	1.0000000	1.0268391	1.0679986	1.1202295	1.1855960	1.2476485	1.3171778	
1994	60,600	23,753.53	1.0000000	1.0000000	1.0400837	1.0909494	1.1546073	1.2150379	1.2827500	
1995	61 200	24 705 66	1.0000000	1.000000	1.0000000	1.0489054	1,1101100	1,1682117	1,2333141	
1996	62,700	25,913,90	1.0000000	1.0000000	1.0000000	1.0000000	1.0583509	1.1137436	1.1758107	
1997	65,400	27.426.00	1.0000000	1,0000000	1,0000000	1.0000000	1,0000000	1.0523387	1,1109837	
1998	68,400	28,861.44	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0557283	
1999	72,600	30,469.84	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	
2000	76 000		1 000000	1 000000	1 000000	1 000000	1 000000	1 000000	1 0000000	
∠000 2001	76,200		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	
2001	80,400		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	

<sup>1</sup> National average wage levels. For years before 1978, average wages were determined from wages earned during the first quarter of the year and reported to the Social Security Administration (SSA) for Social Security tax purposes. These wages were then multiplied by 4 to obtain the average wage for the year. For 1973-77, from data collected on all taxable wages reported to SSA; for 1957-72, based on 1% statistical sample; for 1951-56, based on 1/10 of 1% statistical sample. For 1978-84,

cata collected on all taxable wages reported to SSA; tor 195/-/2, based on 1% statistical sample; for 1951-56, based on 1/10 of 1% statistical sample. For 1978–84, from wage data collected by the Internal Revenue Service during processing of annual tax returns. For years after 1984, from W-2 data processed by SSA. For years after 1977, the average wage amounts have been adjusted to be consistent with the pre-1978 series. <sup>2</sup> The indexing factor for a given year represents the ratio of the average annual wage (col. 2) for the second year before the year of first eligibility to the average annual wage for the year to be indexed. Multiplying a worker's covered earnings, up to the maximum taxable amounts for various years after 1951, by the indicated factors gives the indexed earnings. Earnings in the year of first eligibility, and any earnings thereafter, are not indexed. The actual taxable earnings for those years are considered in calculating the average indexed earnings. considered in calculating the average indexed earnings (AIME).

CONTACT: Joseph Bondar/Curt Pauzenga (410) 965-0162/7210 for further information.

Year enacted	Effective	Provision
1983	1986	Workers first eligible for pensions based on noncovered employment <sup>1</sup> and disability or retired workers after Dec. 31, 1985. The benefit computation formula uses a reduced factor of the usual first AIME bendpoint.
		Factor       Year eligible         80%       1986         70%       1987         60%       1988         50%       1989         40%       1990 and later
		WEP is not applicable to persons who were federal employees or nonprofit employees on Jan. 1, 1984 and who were covered by Social Security on that date; to federal employees who switched to the Federal Employees Retirement System (FERS) during a special enrollment period and who have worked under FERS for 5 years; to persons with Railroad Retirement pensions; or to workers with 30 years of substantial Social Security earnings. Workers with 26–29 years of coverage have less than full WEP applied. <sup>2</sup> For benefits payable before January 1989:
		Factor       Years of coverage         80%       29         70%       28         60%       27         50%       26
1988	1989	5% added to factor for each year of coverage over 20.
		Factor       Years of coverage         85%       29         80%       28         75%       27         70%       26         65%       25         60%       24         55%       23         40%       22         45%       21
	1991	Earnings required for a year of substantial coverage (decoupled from the definition of a year of coverage for special minimum PIA). $^{\rm 2}$
		YearEarnings $1991$ \$9,900 $1992$ 10,350 $1993$ 10,725 $1994$ 11,250 $1995$ 11,325 $1996$ 11,625 $1997$ 12,150 $1998$ 12,675 $1999$ 13,425 $2000$ 14,175 $2001$ 14,925

#### Table 2.A11.1.—Computation of PIA based on Windfall Elimination Provision (WEP)

<sup>1</sup> Reduction in PIA will not be greater than one-half of the periodic payment based on noncovered employment performed after 1956. <sup>2</sup> See table 2.A12. Before 1991, a year of substantial coverage for WEP was the same amount as for the minimum PIA (25 percent of the "old law" contribution and benefit base). For 1991 and following, a year of substantial coverage under WEP provisions remains 25 percent of the old law base, while the criterion for computing the special minimum PIA was changed to 15 percent of the base.

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