

# 2017 Social Security Fact Sheet

- For 2016, nearly 61 million Americans will receive approximately \$918 billion in Social Security benefits.
  - Retired workers 40.7 million \$55 billion, average monthly benefit: \$1,360, Couple \$2,260
  - Dependents 3 million \$2 billion
  - Disabled workers 8.9 million \$10.3 billion, average monthly benefit \$1,171, with spouse and child \$1,996
    - dependents 1.9 million \$0.7 billion
  - Widow(er) \$1,300, with two children \$2,695
  - Maximum monthly benefit for worker retiring at full retirement age: \$2,639 (for workers who paid on maximum taxable earnings for at least 35 working years).
- **Social Security is the major source of income for most of the elderly.**
  - Nearly nine out of ten individuals age 65 and older receive Social Security benefits.
  - Social Security benefits represent about 34% of the income of the elderly.
  - Among elderly Social Security beneficiaries, 48% of married couples and 71% of unmarried persons receive 50% or more of their income from Social Security.
  - persons rely on Social Security for 90% or more of their income.
- **Social Security provides more than just retirement benefits.**
  - Retired workers and their dependents account for 71% of total benefits paid.
  - Disabled workers and their dependents account for 16% of total benefits paid.
    - About 90 percent of workers age 21-64 in covered employment in 2016 and their families have protection in the event of a long-term disability.
    - Just over 1 in 4 of today's 20-year-olds will become disabled before reaching age 67.
    - 67% of the private sector workforce has no long-term disability insurance.
  - Survivors of deceased workers account for about 13% of total benefits paid.
    - About one in eight of today's 20-year-olds will die before reaching age 67.
    - About 96% of persons aged 20-49 who worked in covered employment in 2016 have survivors insurance protection for their young children and the surviving spouse caring for the children.
- **An estimated 171 million workers are covered under Social Security.**
  - 51% of the workforce in private industry has no private pension coverage.
  - 31% of workers report that they and/or their spouse have no savings set aside specifically for retirement.
- **In 1940, the life expectancy of a 65-year-old was almost 14 years; today it is about 20 years.**
- **By 2035, the number of Americans 65 and older will increase from approximately 48 million today to over 79 million.**
- **There are currently 2.8 workers for each Social Security beneficiary. By 2035, there will be 2.2 covered workers for each beneficiary.**
- **Social Security Cost-of-Living (COLA) Adjustment for 2016: 0.3%**
- **2016 Social Security and Medicare Contributions Amounts:**
  - Social Security: 6.2% for both workers and employers (total 12.4%) paid on earning up to \$127,200 for 2017.
  - Medicare: 1.45% for both workers and employers (total 2.9%) on all wages.
- **Social Security Eligibility:**
  - Full retirement age: 66 for people born 1943-1954, adding 2 months for each year starting 1955 and rising to 67 for those born in 1960 or later.
  - Early retirement age: 62; taking early retirement can reduce benefits up to 30%.

*Social Security is extremely efficient, spending only 0.8% for administration.*

# 2017 Medicare Fact Sheet

**Part A:** “Hospital Insurance”, covers inpatient hospital, certain skilled nursing and skilled home health services. It does not cover long term or custodial care.

**Part B:** “Outpatient Services”, covers Medicare eligible physician’s services, outpatient hospital services, certain home health services or therapies, and durable medical equipment.

**Part D:** “Prescription Drug Coverage”, offered through stand-alone plans via private insurers or as part of a Medicare Advantage Plan.

**Medicare Advantage Plan (aka Part C):** Health Plans such as PPOs and HMOs that are approved by Medicare and run by private companies. Beneficiaries opting for Medicare Advantage choose to receive the various Medicare benefits through the insurer rather than the traditional Medicare program.

**Medigap Plan (aka Supplemental Policy):** These policies help pay some of the costs not covered by regular Medicare (such as co-pays and deductibles).

## 2016 Medicare Costs:

- ❖ **Medicare A Premium:** \$0 if you or spouse has 40+ quarters of Medicare-covered employment. If you do not have enough eligible quarters of employment, you’ll pay up to \$413/month.
- ❖ **Medicare B Premium:** Current beneficiaries with income of \$85,000 (\$170,000 joint) or less: \$109. New to Medicare B, don’t receive SS, or dual-eligible: \$134. Income higher than \$85,000 (\$170,000 joint): income-adjusted, up to \$428.60 (plus any late enrollment penalty, if applicable).
- ❖ **Medicare B Deductible:** \$183/year
- ❖ **Medicare D premiums:** Varies by plan (higher income individuals pay additional adjustment).
- ❖ **Medicare A Hospital Coinsurance:** \$1316 deductible. \$0 coinsurance for days 1-60, \$329/day for days 61-90, \$658/day for up to 60 additional “lifetime reserve” days after 90 days.
- ❖ **Medicare A Skilled Nursing Care:** Pays 100% up to 20 days, \$164.50/day co-pay for patient for days 21-100.

2017 Medicare Part D (Prescription Drug) Defined Standard Benefit	
Part D Standard Benefit Design Parameters:	2017
<b>Deductible</b> - (after the Deductible is met, Beneficiary pays 25% of covered costs up to total prescription costs meeting the Initial Coverage Limit.	\$400
<b>Initial Coverage Limit</b> - Coverage Gap (Donut Hole) begins at this point. (The Beneficiary pays 100% of their prescription costs up to the Out-of-Pocket Threshold)	\$3,700
<b>Out-of-Pocket Threshold</b> - Total Out-of-Pocket Costs including the Donut Hole.	\$4,950
<b>Total Covered Part D Drug Out-of-Pocket Spending including the Coverage Gap</b> - Catastrophic Coverage starts after this point.	\$7,425.00
Total Estimated Covered Part D Drug Out-of-Pocket Spending <b>including the Coverage Gap Discount</b>	\$8,071.16 plus 60% of brand Rx