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Gateway Policy Explorer: Retirement Series

United States

Survivor Old-Age Benefit Plan Details

1992-2022

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Preface

This document is intended for researchers who want to understand the evolution of policy or the policy in place at a particular point in time. This document is not intended for financial advice or to aid in decision-making. The authors have made significant effort to identify and collect historical information pertaining to these policies, to accurately represent these policies, and to communicate how policies may interact to determine legal requirements, eligibility for benefits, and/or benefits levels. The policies presented in this document focus on rules applicable to most individuals aged 50 and older from 1992. Many systems include special policies or alternative eligibility rules for specific groups. We encourage all users to complete their own review of literature in this area depending on the research questions they have in mind.

If you have feedback or questions or identify an error, please contact policy@g2aging.org.

Background — Gateway Policy Explorer: Retirement Series

The *Gateway Policy Explorer* (<http://g2aging.org/policy-explorer>) is part of the Gateway to Global Aging Data (<http://g2aging.org>) project. The *Retirement Series* captures historical policy that affects the birth cohorts of respondents in the surveys covered by the Gateway. It was motivated by the rapid evolution of policies affecting older people across the world. As the Health and Retirement Study (HRS) began in 1992 and many of the international network of studies (HRS-INS) cover more than a decade, understanding the policies in place at the time of the survey has become more demanding for researchers.

Why are we tracking past policy? Individuals make choices based on current policies and the outcomes we see today may reflect responses to past policies. When interpreting the survey responses of individuals, an understanding of the policy environment under which those individuals operate is critical. The collection of contextual information in the *Gateway Policy Explorer* aims to support researchers who want to understand or use policy changes in their research and provide context for longitudinal or cross-country differences. Over the period 2023–2026 the *Gateway Policy Explorer* will be expanded to include information on retirement, long-term care, education, and other policies affecting the life cycle.

The key dimensions to the *Gateway Policy Explorer: Retirement Series* are country and time. We prioritize data collection for each country based on its first interview wave and are continuing to expand our data collection back in time to 1992, the earliest survey date in the HRS-INS.

A separate document, like this one, is developed for each country and each broad category of policies covered in the *Gateway Policy Explorer: Retirement Series*.

Author and Contributor Disclaimers

† The opinions expressed here are those of authors and do not necessarily reflect the views of the OECD or of its member countries.

United States

Survivor Old-Age Benefits
Plan details 1992-2022 * †

Benefits to surviving spouses with limited or no entitlement to old-age benefits based on their own earnings record are provided by the Old-Age, Survivors, and Disability Insurance (OASDI) system, also referred to as “Social Security.” This system is administered by the US Social Security Administration. OASDI provides insured US workers and their families with benefits after meeting age and contribution requirements. The old-age survivor benefit is based on a deceased spouse’s contribution history, pays a benefit in proportion to lifetime earnings that is higher for low income earners (i.e., it is progressive benefit), and permanently increases benefits for delaying their start past the earliest eligibility age, which is age 60. Survivor benefits may be reduced or eliminated based on the beneficiary’s entitlement to old-age benefits from their own earnings record. The design of OASDI has been stable since 1983, with a minor reform in 2000 that restructured benefit payments if a beneficiary continues to work.

Key Dates

First law: 1939

Major changes since 1992: None

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* If you have questions or suggestions, please contact policy@g2aging.org.

† Detailed information and definitions are provided in tables, formulas and a glossary at the end of this document. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: “Alt” + “←”; In Adobe Acrobat on a MAC: “command” + “←”; In Preview on a MAC: “command” + “[”.

Chapter 1: Policy enacted 1992-2022

Overview

Old-age survivor benefits are provided by the Old-Age, Survivors, and Disability Insurance (OASDI) system, also referred to as “Social Security.” This system is administered by the US Social Security Administration. OASDI provides supplemental benefits to survivors of insured US workers that have died. The old-age survivor benefit is at most 100% of the old-age benefit of the deceased worker and benefits are reduced or eliminated based on the survivor’s own old-age benefit entitlement. The system provides options to claim old-age survivor benefits as early as age 60 with a permanently reduced monthly benefit but does not reward delayed claiming beyond the statutory retirement age for old-age benefits. Survivor benefits are reduced if the survivor starts benefits before certain ages but continues to work.

OASDI was established in 1935, but survivor benefits were not introduced until 1939 for widows, and it underwent a number of major reforms before 1992. Notably, the 1983 reforms created future adjustments to the statutory retirement age that affect workers reaching the eligibility age during the policy periods covered here. [Dewitt \(2010\)](#) provides a concise history of U.S. Social Security from 1935-2009. While OASDI covers most workers in the United States, certain workers are exempt including students and some state and local government workers who have their own separate pension systems.

This document is focused on eligibility and benefit rules of OASDI survivor benefits. Additional old-age benefits based on a person’s own earnings history or for spouses still alive are covered in separate documents. Currently, we do not cover additional benefits for other family members (e.g., children, parents) or for disability.

There have been limited reforms to OASDI since 1992 and the reforms that have occurred have been relatively minor. Reforms during this period affecting a person’s old-age survivor benefits include:

- The “Senior Citizens’ Freedom to Work Act of 2000” ([Public Law 106-182](#)), passed in April 2000 and effective from December 31, 1999, eliminated the earnings test for survivors after their statutory retirement age.

Eligibility

Are divorced widows or widowers entitled to benefits based on their ex-spouses contribution or earnings history? Answer: Yes

Age requirements to start benefits without penalty

- **Full eligibility age (FEA)**
Age 65 for persons born before 1940 and gradually increasing until age 67 for persons born after 1962
- **Does FEA vary by sex?** Answer: No
- **Does FEA vary by birth year?** Answer: Yes
- **Details by birth year:** See [Table 2](#) for FEA by birth year

Requirements to be eligible to receive benefit

- **Widows and widowers married at time of spouse’s death**
Eligibility for survivor benefits varies by benefit type and there are two old-age survivor benefits covered here: (1) a permanent monthly survivor benefit payment and (2) a one-time death benefit. A contribution period is defined as a “quarter of coverage” which can be achieved after earning above a threshold amount in a calendar year in a position that contributes to OASDI. Quarters of coverage do not correspond to calendar time, but only four quarters of coverage can be credited per year. Earnings required for a quarter of coverage varies by year —values by year are available in [Table 1](#).

Monthly Survivor Benefit Payment

There is one main eligibility track for unreduced benefits based on a deceased spouse’s earnings record and it depends on the deceased’s contribution history and the applicant’s age, own old-age benefit entitlement and conditions of the marriage.

Main Eligibility Track for Surviving Spouses

1. Conditions concerning the deceased
 - Age requirement: None
 - Contribution requirement: The worker died fully insured —the deceased satisfies one of the following: (a) 40 quarters of coverage, or (b) total quarters of coverage equal to the deceased’s age minus 21 with a minimum of 6 quarters of coverage

2. Conditions concerning the surviving spouse

- Age requirement: Age 65 for persons born before 1940 and gradually increasing until age 67 for persons born after 1961 —See [Table 2](#) for [FEA](#) by birth year
- Contribution requirement: None
- Own benefit requirement: Beneficiary cannot be entitled to an [OASDI](#) benefit based on a [primary insurance amount](#) which equals or exceeds the deceased spouse's primary insurance amount
- Other requirements: Applicant must not currently be married and also satisfy one of the following conditions —
 - * Married at least 9 months to the deceased spouse
 - * Have a child or adopted a child under the age of 18 with the deceased
 - * Adopted the deceased's child or the deceased adopted the survivor's child during the marriage and before the child reached 18
 - * Otherwise entitled to OASDI benefits at the time of the worker's death (e.g., spousal benefits; disability benefits)
 - * Meet one of the exceptions to the 9-month marriage duration (e.g., accidental death) —See §404 of the Social Security Handbook ([SSA, 2022](#))

Other Eligibility Tracks

- Surviving mother or father: A survivor may be eligible at any age if caring for a child younger than age 16 or disabled where the child is entitled to Social Security survivor's benefits for children and the survivor satisfies the other non-age requirements in the main eligibility track —See §415 of the Social Security Handbook ([SSA, 2022](#)) for additional details

Source: §401, Social Security Handbook ([SSA, 2022](#))

One-Time Death Benefit

A surviving spouse is eligible for a one-time death benefit, regardless of age, if the deceased satisfies one of the following conditions:

- The worker died fully insured —the deceased satisfies one of the following: (a) 40 quarters of coverage, or (b) total quarters of coverage equal to the deceased's age minus 21 with a minimum of 6 quarters of coverage
- The worker died currently insured —the deceased had at least six quarters of coverage during the full 13- calendar quarter period ending with the calendar quarter in which the deceased died or became entitled to OASDI benefits through old-age or disability

• **Divorced widows/widowers**

There is one type of divorced survivor benefits —a permanent monthly survivor benefit payments. Divorced survivors are not eligible for one-time death benefits.

Monthly Divorced Survivor Benefit Payment

There is one main eligibility track for unreduced benefits based on a deceased ex-spouse's earnings record and it depends on the deceased's contribution history and the applicant's age, own old-age benefit entitlement and conditions of the marriage.

Main Eligibility Track for Divorced Surviving Spouses

1. Conditions concerning the deceased

- Age requirement: None
- Contribution requirement: The worker died fully insured —the deceased satisfies one of the following: (a) 40 qualifying [quarters of coverage](#), or (b) the total quarters of coverage equal to the deceased's age minus 21 with a minimum of 6 quarters of coverage

2. Conditions concerning the surviving spouse

- Age requirement: Age 65 for persons born before 1940 and gradually increasing until age 67 for persons born after 1961 —See [Table 2](#) for [FEA](#) by birth year
- Contribution requirement: None
- Own benefit requirement: Beneficiary cannot be entitled to an [OASDI](#) benefit based on a [primary insurance amount](#) which equals or exceeds the deceased ex-spouse's primary insurance amount
- Other requirements: Applicant must not currently be married and was married to the deceased for at least 10 years

Other Eligibility Tracks

- Divorced surviving mother or father: An divorced survivor may be eligible at any age if caring for a child younger than age 16 or that is disabled if the child is entitled to Social Security survivor's benefits for children and the survivor has not remarried —See §416 of the Social Security Handbook ([SSA, 2022](#)) for additional details

Source: §403, Social Security Handbook (SSA, 2022)

Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before FEA with penalty?** Answer: Yes
- **Earliest eligibility:** A surviving spouse or divorced surviving spouse may start benefits before FEA and have their benefit permanent reduced. Earliest eligibility varies by eligibility track:

Main Eligibility Track for Surviving Spouses and Divorced Surviving Spouses

- Age requirement: Age 60
- Other requirements: Must satisfy all non-age requirement for unreduced benefits

Other Eligibility Tracks

- Disabled survivors: Aged 50 or older with a disability that started before or within seven years of the deceased's death and the survivor satisfies the other non-age requirements in the main eligibility track for surviving spouses —See §513 of the Social Security Handbook (SSA, 2022) for additional details
- Divorced disabled survivor: Aged 50 or older with a disability that started before or within seven years of the deceased's death and the survivor satisfies the other non-age requirements in the main eligibility track for divorced surviving spouses
- **See *Adjustments for starting benefits before FEA (Early claiming or retirement)* in the *Benefits* section for details on the penalty applied for claiming at earliest eligibility.**

Benefits

- **To receive a benefit, does an individual have to claim it?** Answer: Yes
- **To continue to receive a benefit, does an individual have to remain qualified?** Answer: Yes

Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):** Annuitable and lump sum

Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: Birth year
- **Is the formula for computing benefit entitlement progressive?** Answer: Yes
- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: Yes
- **Does the benefit entitlement depend on the contribution/work history of the individual's spouse?** Answer: Yes
- **Are future benefit entitlements adjusted for cost of living?** Answer: Yes
- **If so, what measure is used for adjustment?**
CPI (specifically Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W)

Benefit formula for claiming at FEA

The process for determining benefit amounts paid varies by survivor benefit type.

Monthly Survivor Benefit Payment

For workers entitled under the main eligibility track for surviving spouses or divorced surviving spouses, the old-age survivor benefit is the better of the applicant's own old-age benefits or 100% of the deceased's own old-age benefit entitlement. When paying the benefit, the Social Security Administration first computes the applicant and their deceased spouse's primary insurance amount according to [Formula 1](#) based on the applicant and deceased spouse's own contribution histories conditional on them being eligible for benefits. The deceased's own old-age benefit entitlement depends on if the deceased was receiving old-age benefits at the time of their death:

- Receiving benefits at death: Entitlement reflects any adjustments for starting benefits before or after SRA
- Not receiving benefits at death: Entitlement reflects the worker's primary insurance amount and any [delayed retirement credits](#) the deceased may have been eligible for based on their SRA

The adjustment factors for the own-old age benefit and the survivor benefit are applied separately based on the start date of each benefit. Old-age survivor benefits have a different reduction rate per month if benefits are started before the SRA compared to own-old-age benefits. Additionally, the adjustment factors for survivor's benefits compound with adjustments made to the deceased's benefits —if the deceased and survivor claiming their respective benefits before FEA, the total adjustment to survivor benefits is the product of both adjustment factors. However, a survivor's benefit can never be less than 71.5% of the deceased's primary insurance amount regardless of either the survivor or the deceased's claiming decisions.

If there is a positive difference between the survivor benefit entitlement and the own old-age benefits entitlement, then the difference is paid to the applicant as the survivor benefit. The amounts paid as own old-age and survivors benefits are treated differently if the applicant chooses to work and is subject to a reduction in benefits as a result. See [Formula 1](#) for the computation of a person's primary insurance amount and [Formula 2](#) for the computation of old-age survivors benefits based on the primary insurance amount. See the policy document *United States: Public Own Old-Age Benefit Plan Details* for additional information on own old-age benefit eligibility and additional details on how to compute benefits based on a person's own earnings history.

Additional reference tables:

- Maximum earnings covered by OASDI by year: [Table 3](#)
- Average wages by year: [Table 4](#)
- Annual threshold values by birth year: [Table 5](#)
- Cost-of-living adjustments by year: [Table 6](#)
- [SRA](#) for old-age benefits by birth year: [Table 7](#) —This is different from survivor's SRA in some birth years
- Delayed retirement credits by birth year: [Table 8](#)

Applying for survivor benefits and own old-age benefits are notionally two separate applications. As a result, a surviving spouse eligible for both their own old-age benefit and a survivor benefit could apply for the survivor benefit immediately and delay starting their old-age benefit allowing the old-age benefit to qualify for delayed retirement credits.

Notes: A survivor wanting to strategically apply for own old-age and survivor benefits must independently choose to exercise this option —The Social Security Administration does not promote strategic benefit applications and the prevalence of this behavior is not known

Sources: §407, 723-725, Social Security Handbook ([SSA, 2022](#))

One-time death benefit

A survivor satisfying the eligibility conditions is eligible to receive a one-time death benefit of \$255. This amount is not adjusted for inflation.

Adjustments for starting benefits before FEA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before FEA?** Answer: Yes
- **Is so, what is the earliest eligibility?**

A surviving spouse or divorced surviving spouse may start benefits before [FEA](#) and have their benefit permanently reduced. Earliest eligibility varies by eligibility track:

Main Eligibility Track for Surviving Spouses and Divorced Surviving Spouses

- Age requirement: Age 60
- Other requirements: Must satisfy all non-age requirement for unreduced benefits

Other Eligibility Tracks

- Disabled survivors: Aged 50 or older with a disability that started before or within seven years of the deceased's death and the survivor satisfies the other non-age requirements in the main eligibility track for surviving spouses —See §513 of the Social Security Handbook ([SSA, 2022](#)) for additional details
- Divorced disabled survivor: Aged 50 or older with a disability that started before or within seven years of the deceased's death and the survivor satisfies the other non-age requirements in the main eligibility track for divorced surviving spouses

- **Adjustment formula**

An individual eligible to collect old-age survivor benefits before [FEA](#) has their benefit permanently reduced by up to 28.5% in proportion to the number of months before the applicant's FEA. Benefits may be further reduced if the deceased started benefits before their FEA. The combined reduction in the survivors benefit cannot be less than 28.5% of the deceased's [primary insurance amount](#). See [Formula 2](#) for additional detail on how this reduction is applied based on the applicant and deceased's starting ages, FEAs and SRAs.

Adjustments for starting benefits after FEA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after FEA?** Answer: No (Benefits may be increased if the deceased delayed claiming)

Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Yes

- **Adjustment formula**

If a beneficiary is eligible for and starts receiving survivor benefits, then Social Security withholds these benefits if their earnings exceed a threshold level. Prior to the 2000 reform, this applied to workers under age 70 and since the reform it has only applied to workers before their FEA. How much of the survivor benefit is reduced depends on whether a beneficiary is entitled to old-age benefits based only on their earnings record. See [Formula 3](#) for computational details on reductions in old-age survivor benefit payments if a beneficiary continues to work and [Table 9](#) for applicable threshold values of this earnings test by year.

If a beneficiary is dually entitled (i.e., receiving both own old-age and survivor benefits) and the beneficiary works, then reductions to survivor benefits are applied first ([Formula 3](#)) and reductions to their own benefits are applied second. See §1804 of the the Social Security Handbook ([SSA, 2022](#)) or Appendix A of CRS ([2021](#)) for additional information and examples.

- **If benefits are reduced while working, does it effect future benefits?** Answer: No

Tables and Formulas

Table 1: Contributions Required to Receive a Quarter of Coverage

Year	Required Contributions	Year	Required Contributions
1978	\$250	2001	\$830
1979	260	2002	870
1980	290	2003	890
1981	310	2004	900
1982	340	2005	920
1983	370	2006	970
1984	390	2007	1,000
1985	410	2008	1,050
1986	440	2009	1,090
1987	460	2010	1,120
1988	470	2011	1,120
1989	500	2012	1,130
1990	520	2013	1,160
1991	540	2014	1,200
1992	570	2015	1,220
1993	590	2016	1,260
1994	620	2017	1,300
1995	630	2018	1,320
1996	640	2019	1,360
1997	670	2020	1,410
1998	700	2021	1,470
1999	740	2022	1,510
2000	780		

Source: Defined in §413 ([LII, 2022](#)); Annual values reported in [SSA \(2022\)](#)

Notes: A maximum of 4 quarters of coverage can be credited per calendar year. “Quarters of coverage” do not need to correspond to calendar time within a year —e.g., if a person earned \$8,000 in January 2022, then they would receive 4 quarters of coverage for 2022.

Table 2: Full Eligibility Age for Survivor's Benefits by Birth Year

Birth year	Full Eligibility Age (FEA)	Months between age 60 and SRA
1939 or earlier	65 years	60
1940	65 years and 2 months	62
1941	65 years and 4 months	64
1942	65 years and 6 months	66
1943	65 years and 8 months	68
1944	65 years and 10 months	70
1945-1956	66 years	72
1957	66 years and 2 months	74
1958	66 years and 4 months	76
1959	66 years and 6 months	78
1960	66 years and 8 months	80
1961	66 years and 10 months	82
1962 and later	67 years	84

Source: Defined in §416(l) (LLI, 2022)

Formula 1: Primary Insurance Amount

$$PIA_{i,t} = \begin{cases} 0.9 \times AIME_{i,t} & \text{if } AIME_{i,t} < T_i^{\text{lower}} \\ 0.9 \times T_i^{\text{lower}} + 0.32 \times (AIME_{i,t} - T_i^{\text{lower}}) & \text{if } T_i^{\text{lower}} \leq AIME_{i,t} < T_i^{\text{upper}} \\ 0.9 \times T_i^{\text{lower}} + 0.32 \times T_i^{\text{upper}} + 0.15 \times (AIME_{i,t} - T_i^{\text{upper}}) & \text{if } T_i^{\text{upper}} \leq AIME_{i,t} \end{cases}$$

- $PIA_{i,t}$ = Individual i 's primary insurance amount at time t (monthly value)
- $AIME_{i,t}$ = Individual i 's average indexed monthly earnings at time t based on their best “computational years” of earning (e.g., 35 years for old-age and spousal benefits; ≤ 35 for survivors benefits):

$$AIME_{i,t} = \frac{1}{12 \times CY_i} \sum_{s=\text{Best of } CY_i \text{ years}} \left(\left(\frac{AWI_{t_i(\text{eligibility age})-2}}{\min\{AWI_s, AWI_{t_i(\text{eligibility age})-2}\}} \right) \times \min\{EARN_{i,s}, EARN_s^{MAX}\} \right)$$

- CY_i = Individual i 's computational years which are equal to the smaller of 35 or the number of years elapsed between the age of death or disability and age 27
- $AWI_{t_i(\text{eligibility age})-2}$ = Average wage index two years before individual i reaches “eligibility age”, defined as age 62 or i 's death, whichever comes first —See Table 4 for values by year
- $\min\{AWI_s, AWI_{t_i(\text{eligibility age})-2}\}$ = Average wage index in year s , where $s < t$, or two years before i reaches eligibility age, whichever is lower
- $EARN_{i,s}$ = Individual i 's annual earnings in Social Security covered work (most formal employment) is year s
- $EARN_s^{MAX}$ = Maximum annual covered earnings in year s —See Table 3 for maximum covered earnings by year
- $T_i^{\text{lower}}, T_i^{\text{upper}}$ = Lower and upper threshold values for benefit computation based on the year i reaches “eligibility age” —See Table 5 by birth year

Source: Defined in §415 (LLI, 2022); Also see §700, 703-704 of the Social Security Handbook (SSA, 2022)

Notes: Average indexed monthly earnings are indexed to two years before a person becomes first eligible for any benefits (i.e., age 62 for old-age benefits). Formula only applies to persons living past age 27. Additional adjustments may apply before this age.

Formula 2: Old-Age Surviving Spouse Benefit

$$B_{SU,i,j,t,t_c(SU)} = \max \left\{ \left(PIA_{j,t} \times \left(\prod_{s=t_j(\text{eligibility age})}^{t-1} (1 + COLA_s) \right) \times \text{Survivor Adjustment}_{i,j,t,t_c(SU)} \right) - B_{OA,i,t,t_c}, 0 \right\}$$

- $B_{SU,i,j,t,t_c(SU)}$ = Individual i 's old-age surviving spouse benefit based on their spouse j 's Social Security earnings record at time t if claiming at time $t_c(SU) \leq t$ and not working — Claiming date for survivor benefits ($t_c(SU)$) may differ from claiming date of own old-age benefits (See policy document *United States: Old-Age Survivor Benefit Plan Details* for additional information)
- B_{OA,i,t,t_c} = Individual i 's monthly own old-age Social Security benefit at time t if claiming at time $t_c \leq t$ and not working — See policy document *United States: Public Own Old-Age Benefit Plan Details* for how to compute own old-age benefits
- $PIA_{j,t}$ = Deceased spouse j 's primary insurance amount at time t — See [Formula 1](#) for computational details
- $COLA_s$ = Cost-of-living adjustment at time $s < t$ — See [Table 6](#) for values by year
- $t_j(\text{eligibility age})$ = Year deceased spouse j reached age 62 or two years before their death, whichever is earlier
- $\text{Survivor Adjustment}_{i,j,t,t_c(SU)}$ = The adjustment factor for a surviving spouse for starting benefits before or after i 's SRA and accounting for when deceased spouse j started their benefit and no lower than 71.5% of the deceased's primary insurance amount

$$\text{Survivor Adjustment}_{i,j,t,t_c(SU)} = \max \{ 0.715, ADJ(SU)_{i,t_c(SU)} \times ADJ(OA)_{j,t} \}$$

- $ADJ(SU)_{i,t}$ = The adjustment factor for starting benefits before or after individual i 's SRA based on number of months to SRA

$$ADJ(SU)_{i,t} = \begin{cases} 1 - \left(0.285 \times \frac{m_i}{m_i^{MAX(SU)}} \right) & \text{if } m_i > 0 \\ 1 & \text{if } m_i \leq 0 \end{cases}$$

- m_i = Number of months between i 's SRA and the age i starts benefits — See [Table 2](#) for survivor SRA by birth year
- $m_i^{MAX(SU)}$ = Number of months between age 60 and i 's SRA depending on i 's birth year — See [Table 2](#) for number of months based on birth year
- $ADJ(OA)_{j,t}$ = The own old-age benefit adjustment factor for starting benefits before or after deceased spouse j 's SRA based on number of months to SRA

$$ADJ(OA)_{j,t} = \begin{cases} 0.8 - \left(\frac{(36-m_j)}{240} \right) & \text{if } m_j < -36 \\ 1 - \left(\frac{m_j}{180} \right) & \text{if } -36 \leq m_j < 0 \\ 1 & \text{if } m_j = 0 \\ 1 + (DRC_j \times m_j) & \text{if } 0 < m_j < m_j^{MAX(OA)} \\ 1 + (DRC_j \times m_j^{MAX(OA)}) & \text{if } m_j^{MAX(OA)} \leq m_j \end{cases}$$

- m_j = Number of months between the age j starts benefits and j 's SRA for old-age benefits — See [Table 7](#) for SRA of old-age benefits by birth year (negative values indicate starting benefits before SRA)
- DRC_j = Monthly delayed retirement credit based on j 's birth year — See [Table 8](#) for values by birth year
- $m_j^{MAX(OA)}$ = Number of months between age 70 and j 's SRA for old-age benefits

Source: Defined in §407, 723-725 of the Social Security Handbook ([SSA, 2022](#)), or §413 of the US Code defining OASDI benefits ([LLI, 2022](#))

Notes

- If the deceased spouse started benefits before SRA and continued to work, $ADJ_{j,t}$ may change based on the number of periods benefits are partially or fully reduced due to the earnings test — See policy document *United States: Public Own Old-Age Benefit Plan Details* for additional information.
- Unlike own old-age benefits, survivor benefits do not receive [delayed retirement credits](#) or adjustments for benefits reduced or eliminated due to the earnings test.
- The actual benefit formula is a more complicated then described above — For each year after the eligibility age, the primary insurance amount is adjusted by the COLA and rounded down to the nearest one-tenth of a dollar until reaching the person's current age at which point it is rounded down to the nearest dollar. The final benefit after adjustments is always rounded down to the nearest dollar.

Table 3: Maximum Covered Earnings

Year	Amount	Year	Amount
1937-50	\$3,000	1995	\$61,200
1951-54	3,600	1996	62,700
1955-58	4,200	1997	65,400
1959-65	4,800	1998	68,400
1966-67	6,600	1999	72,600
1968-71	7,800	2000	76,200
1972	9,000	2001	80,400
1973	10,800	2002	84,900
1974	13,200	2003	87,000
1975	14,100	2004	87,900
1976	15,300	2005	90,000
1977	16,500	2006	94,200
1978	17,700	2007	97,500
1979	22,900	2008	102,000
1980	25,900	2009	106,800
1981	29,700	2010	106,800
1982	32,400	2011	106,800
1983	35,700	2012	110,100
1984	37,800	2013	113,700
1985	39,600	2014	117,000
1986	42,000	2015	118,500
1987	43,800	2016	118,500
1988	45,000	2017	127,200
1989	48,000	2018	128,400
1990	51,300	2019	132,900
1991	53,400	2020	137,700
1992	55,500	2021	142,800
1993	57,600	2022	147,000
1994	60,600		

Source: Contribution And Benefit Base, [SSA \(2022\)](#)

Table 4: National Average Wage Index

Year	Average Wages	Year	Average Wages
1951	\$2,799.16	1986	\$17,321.82
1952	2,973.32	1987	18,426.51
1953	3,139.44	1988	19,334.04
1954	3,155.64	1989	20,099.55
1955	3,301.44	1990	21,027.98
1956	3,532.36	1991	21,811.60
1957	3,641.72	1992	22,935.42
1958	3,673.80	1993	23,132.67
1959	3,855.80	1994	23,753.53
1960	4,007.12	1995	24,705.66
1961	4,086.76	1996	25,913.90
1962	4,291.40	1997	27,426.00
1963	4,396.64	1998	28,861.44
1964	4,576.32	1999	30,469.84
1965	4,658.72	2000	32,154.82
1966	4,938.36	2001	32,921.92
1967	5,213.44	2002	33,252.09
1968	5,571.76	2003	34,064.95
1969	5,893.76	2004	35,648.55
1970	6,186.24	2005	36,952.94
1971	6,497.08	2006	38,651.41
1972	7,133.80	2007	40,405.48
1973	7,580.16	2008	41,334.97
1974	8,030.76	2009	40,711.61
1975	8,630.92	2010	41,673.83
1976	9,226.48	2011	42,979.61
1977	9,779.44	2012	44,321.67
1978	10,556.03	2013	44,888.16
1979	11,479.46	2014	46,481.52
1980	12,513.46	2015	48,098.63
1981	13,773.10	2016	48,642.15
1982	14,531.34	2017	50,321.89
1983	15,239.24	2018	52,145.80
1984	16,135.07	2019	54,099.99
1985	16,822.51	2020	55,628.60

Source: National Average Wage Index, [SSA \(2022\)](#)

Table 5: Thresholds for Computation of Primary Insurance Amount by Year

Effective Year	Birth Year ¹	Lower Threshold	Upper Threshold
1979	1917	\$180	\$1,085
1980	1918	194	1,171
1981	1919	211	1,274
1982	1920	230	1,388
1983	1921	254	1,528
1984	1922	267	1,612
1985	1923	280	1,691
1986	1924	297	1,790
1987	1925	310	1,866
1988	1926	319	1,922
1989	1927	339	2,044
1990	1928	356	2,145
1991	1929	370	2,230
1992	1930	387	2,333
1993	1931	401	2,420
1994	1932	422	2,545
1995	1933	426	2,567
1996	1934	437	2,635
1997	1935	455	2,741
1998	1936	477	2,875
1999	1937	505	3,043
2000	1938	531	3,202
2001	1939	561	3,381
2002	1940	592	3,567
2003	1941	606	3,653
2004	1942	612	3,689
2005	1943	627	3,779
2006	1944	656	3,955
2007	1945	680	4,100
2008	1946	711	4,288
2009	1947	744	4,483
2010	1948	761	4,586
2011	1949	749	4,517
2012	1950	767	4,624
2013	1951	791	4,768
2014	1952	816	4,917
2015	1953	826	4,980
2016	1954	856	5,157
2017	1955	885	5,336
2018	1956	895	5,397
2019	1957	926	5,583
2020	1958	960	5,785
2021	1959	996	6,002
2022	1960	1,024	6,172

Notes:

(¹) For old-age benefits, the effective year corresponds to the year a person reaches age 62

Table 6: Cost-of-Living Adjustment (COLA) by Year

Year	COLA	Year	COLA
1992	3.0 %	2007	2.3 %
1993	2.6	2008	5.8
1994	2.8	2009	0.0
1995	2.6	2010	0.0
1996	2.9	2011	3.6
1997	2.1	2012	1.7
1998	1.3	2013	1.5
1999	2.5	2014	1.7
2000	3.5	2015	0.0
2001	2.6	2016	0.3
2002	1.4	2017	2.0
2003	2.1	2018	2.8
2004	2.7	2019	1.6
2005	4.1	2020	1.3
2006	3.3	2021	5.9

Source: Cost-Of-Living Adjustment Summary, [SSA \(2022\)](#)

Notes: Cost-of-living adjustments in year t are based on the change in the 3rd quarter consumer price index (CPI) for urban wage earners and clerical workers between year t and year $t - 1$. This change is rounded to the nearest tenth of a percent. For example, the third quarters CPI in 2021 and 2020 respectively were 268.421 and 253.412. Consequently, the 2021 cost of living adjustment was $\frac{268.421}{253.412} - 1 = 0.05923$ or 5.9% after rounding. See the Social Security Actuary's website for additional information: <https://www.ssa.gov/oact/STATS/avgcpi.html>. In cases where the third quarter CPI declines relative to the previous year, the adjustment is based on the last year CPI was adjusted. For example, the CPI in 2009 and 2010 was below the CPI in 2008. The COLA for 2011 was computed based on the ratio of the 2011 CPI to the 2008 CPI.

Table 7: Statutory Retirement Age for Own Old-Age Benefit by Birth Year

Birth year	Statutory Retirement Age
1937 or earlier	65 years
1938	65 years and 2 months
1939	65 years and 4 months
1940	65 years and 6 months
1941	65 years and 8 months
1942	65 years and 10 months
1943-1954	66 years
1955	66 years and 2 months
1956	66 years and 4 months
1957	66 years and 6 months
1958	66 years and 8 months
1959	66 years and 10 months
1960 and later	67 years

Source: Defined in §416(l) ([LLI, 2022](#))

Table 8: Delayed Retirement Credit by Birth Year

Birth Year	Annual Rate	Monthly Rate
Before 1917	1.0 %	0.08 % (2/2400)
1917 - 1924	3.0	0.25 (6/2400)
1925 - 1926	3.5	0.29 (7/2400)
1927 - 1928	4.0	0.33 (8/2400)
1929 - 1930	4.5	0.38 (9/2400)
1931 - 1932	5.0	0.42 (10/2400)
1933 - 1934	5.5	0.46 (11/2400)
1935 - 1936	6.0	0.50 (12/2400)
1937 - 1938	6.5	0.54 (13/2400)
1939 - 1940	7.0	0.58 (14/2400)
1941 - 1942	7.5	0.63 (15/2400)
1943 and later	8.0	0.67 (16/2400)

Source: §402(w)(6) ([LLI, 2022](#))

Note: The monthly rate as a fraction is used when computed benefit adjustments.

Formula 3: Reductions in Old-Age Survivor Benefit Payments If Beneficiary Continues to Work

$$B_{SU(i \text{ works}),i,j,t,t_c(SU)} = B_{SU,i,j,t,t_c(SU)} - \min\{RED_{i,t}^{\text{WORK}}, B_{SU,i,j,t,t_c(SU)}\}$$

- $B_{SU(i \text{ works}),i,j,t,t_c(SU)}$ = Individual i 's monthly old-age survivor benefit at time t if claiming at time $t_c(SU) \leq t$ and i continues to work
- $B_{SU,i,j,t,t_c(SU)}$ = Individual i 's monthly old-age survivor benefit based on their deceased spouse j 's Social Security earnings record at time t if claiming at time $t_c(SU) \leq t$ and not working —See [Formula 2](#) for computational details
- $RED_{i,t}^{\text{WORK}}$ = Individual i 's average monthly reduction in old-age benefits while working

$$RED_{i,t}^{\text{WORK}} = \begin{cases} 0 & \text{if } EARN_{i,t} \leq T_t^A \text{ and satisfy Condition Set A} \\ \frac{1}{12} \times \frac{1}{2} \times (EARN_{i,t} - T_t^A) & \text{if } T_t^A < EARN_{i,t} \text{ and satisfy Condition Set A} \\ 0 & \text{if } EARN_{i,t} \leq T_t^B \text{ and satisfy Condition Set B} \\ \frac{1}{12} \times \frac{1}{3} \times (EARN_{i,t} - T_t^B) & \text{if } T_t^B < EARN_{i,t} \text{ and satisfy Condition Set B} \\ 0 & \text{otherwise} \end{cases}$$

- $EARN_{i,t}$ = Individual i 's expected or realized annual earnings in year t
- T_t^A, T_t^B = Annual earnings threshold for persons satisfying condition sets A and B, respectively —See [Table 9](#) for threshold values
- Condition Set A
 - * Before 2000 reform: Under age 65
 - * Since 2000 reform: Years prior to year i reaches SRA
- Condition Set B
 - * Before 2000 reform: Age 65-69
 - * Since 2000 reform: Year i reaches SRA

Source: [Congressional Research Service \(2021\)](#) provides worked examples and additional details.

Notes

- Reductions to benefits paid are first applied to survivor benefits then old-age benefits if $RED_{i,t}^{\text{WORK}} - B_{SU,i,j,t,t_c(SU)} > 0$
- Future survivor benefits are not adjusted for periods where they were reduced because the beneficiary worked. However, if a survivor is dually entitled, their old-age benefit may be credited for periods it was reduced.

See the policy document *United States: Public Own Old-Age Benefit Plan Details* for additional information on adjustments to reduction factors.

Table 9: Annual Exempt Amounts Under the Retirement Earnings Test

Year	Lower Threshold	Upper Threshold	Year	Lower Threshold	Upper Threshold
1975	\$2,520	\$2,520	2000	\$10,080	\$17,000
1976	2,760	2,760	2001	10,680	25,000
1977	3,000	3,000	2002	11,280	30,000
1978	3,240	4,000	2003	11,520	30,720
1979	3,480	4,500	2004	11,640	31,080
1980	3,720	5,000	2005	12,000	31,800
1981	4,080	5,500	2006	12,480	33,240
1982	4,440	6,000	2007	12,960	34,440
1983	4,920	6,600	2008	13,560	36,120
1984	5,160	6,960	2009	14,160	37,680
1985	5,400	7,320	2010	14,160	37,680
1986	5,760	7,800	2011	14,160	37,680
1987	6,000	8,160	2012	14,640	38,880
1988	6,120	8,400	2013	15,120	40,080
1989	6,480	8,880	2014	15,480	41,400
1990	6,840	9,360	2015	15,720	41,880
1991	7,080	9,720	2016	15,720	41,880
1992	7,440	10,200	2017	16,920	44,880
1993	7,680	10,560	2018	17,040	45,360
1994	8,040	11,160	2019	17,640	46,920
1995	8,160	11,280	2020	18,240	48,600
1996	8,280	12,500	2021	18,960	50,520
1997	8,640	13,500	2022	19,560	51,960
1998	9,120	14,500			
1999	9,600	15,500			

Source: Exempt Amounts Under The Earnings Test and Exempt Amounts, 1975-1999, [SSA \(2022\)](#)

Notes: A maximum of 4 quarters of coverage can be credited per calendar year. “Quarters of coverage” do not need to correspond to calendar time within a year —e.g., if a person earned \$8,000 in January 2022, then they would receive 4 quarters of coverage for 2022.

Sources

This section records key sources consulted when we collected the institutional details reported in this document. Archived versions of these sources are available at the Gateway Policy Explorer website (<http://g2aging.org/policy-explorer>).

Congressional Research Service (2021). Social Security Retirement Earnings Test: How Earnings Affect Benefits. Report R41242. February 9, 2021. [\[Link\]](#)

DeWitt, Larry (2010), The Development of Social Security in America, Social Security Bulletin, Vol. 70, No. 3, 2010 [\[Link\]](#)

Legal Information Institute [LII] (2022). *Federal Old-Age, Survivors, and Disability Insurance Benefits*. Title 42, Chapter 7, Subchapter II, United States Code. Cornell, NY: Cornell Law School. [\[Link\]](#)

Social Security Administration [SSA] (2022). Online Social Security Handbook. As of March 11, 2022. [\[Link\]](#)

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Social Security Administration [SSA] (2022). National Average Wage Index. As of March 8, 2022. [\[Link\]](#)

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US Congress (2000). Public Law 106-182: Senior Citizens' Freedom to Work Act of 2000 (114 Stat. 198. April 7, 2000). As of March 10, 2022. [\[Link\]](#)

Glossary of terms

This section summarizes key definitions from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

Annuitable System: A pension system that provides a periodic payment for life after the benefit begins.

Average Indexed Monthly Earnings (AIME): A term used by US Social Security to describe the average of the best 35 years of earnings, adjusted for changes in the national average wage index.

Cash Balance System: A pension system that provides each individual an account that is drawn down over time.

Claimable Benefit: A pension where the beneficiary must actively file a claim for benefits with the government's pension authority.

Cost-of-Living Adjustments (COLA): Adjustments after an individual begins receiving benefits that increase benefit payments, typically in line with consumer prices or average earnings.

Delayed Retirement Credits (DRC): Credits provided if benefits are not started until after statutory retirement age

Earliest eligibility: Earliest age and/or years of contributions required to be eligible to start receipt of a particular type of benefit. Earliest eligibility is the same as statutory eligibility in countries where there is no benefit penalty for claiming before the statutory retirement age.

Full Eligibility Age: The age at which individuals are eligible to receive their full benefit. For dependent benefits or social assistance, the full eligibility age may differ from the statutory retirement age for own old-age pension benefits.

Latest claiming age: Latest age where a benefit may be claimed such that benefit payments are increased as an incentive for delaying the start of benefits past the statutory retirement age. Latest claiming age is the same as statutory retirement age in countries where there is no benefit to delayed claiming. Not applicable for non-claimable benefits.

Lump Sum Benefit: A pension system that provides an individual with a one-time or limited number of payments. Lump sum benefits are distinct from annuitable or cash balance benefits because they do not continue past a specified time frame. Lump sum benefits use varies by country, but they are sometimes used as death benefits, incentives to delay claiming, or payments to individuals with an insufficient contribution history to be eligible for annuitable benefits.

National Income Measure: In some pension systems, the benefit is dependent on a national income measure, such as average wages. We indicate a pension system depends on the national income measure if the benefit paid is determined by a national income measure (as opposed to an individual's earnings history). For example, the benefit level for the United Kingdom Basic State Pension depends on a level set by the government and does not depend on an individual's earnings. This distinction does not include systems that adjust annual benefits based on a national income measure or index past earnings using a national income measure.

Old-Age, Survivors, and Disability Insurance (OASDI): The official name of the US Social Security system

Primary Insurance Amount (PIA): The base benefit level if a person collects their benefit at their statutory retirement age.

Progressive Benefit: A benefit is progressive if people with lower earnings have a greater replacement rate for their contributions.

Qualified Benefit: A benefit is qualified if an individual must continue to meet certain standards, such as a means test, to continue receipt of benefits.

Quarter of Coverage: A contribution unit using for determining a worker's insured status and benefit eligibility. Up to four quarters of coverage can be earned each calendar year based on a worker's income. Quarters of coverage are not based on calendar time.

Social Security Administration (SSA): The government organization responsible for administration of old-age own, spouse, survivor benefits and old-age social assistance.

Statutory Retirement Age (SRA): The age at which individuals are eligible to receive their full benefit. In the United States, this is known as the normal retirement age. In the United Kingdom, this is known as the state pension age.

Version information

Current Version: 2.1 (August 2023)

Version History

- 1.0 (March 2021): First version
- 2.0 (May 2022): Revisions to formatting and updating of values
- 2.1 (August 2023): Updated formatting and terminology

Additional resources

The following resources provide additional details for the interested reader:

Social Security Administration (2022) *Online Social Security Handbook*.

Available at: https://www.ssa.gov/OP_Home/handbook/handbook.html

Features: This document is updated on an annual basis and provides detailed information on how benefits are currently administered

Social Security Administration (2021) *Annual Statistical Supplement*.

Available at: <https://www.ssa.gov/policy/docs/statcomps/supplement/index.html>

Features: This document is published annually and includes a section entitled "Program Descriptions and Legislative History" that provides detailed background on the current OASDI system as well as additional statistical tables of the system in the year it is published. Historical versions are available back to 2000 and a separate link identifies digital versions back to 1990 through US universities.

Legal Information Institute (2022). *Federal Old-Age, Survivors, and Disability Insurance Benefits*. Title 42, Chapter 7, Subchapter II, United States Code. Cornell, NY: Cornell Law School.

Available at: <https://www.law.cornell.edu/uscode/text/42/chapter-7/subchapter-II>

Features: This is the section of US law pertaining to OASDI.

Other papers of interest include:

- Congressional Research Service (2021). Social Security Retirement Earnings Test: How Earnings Affect Benefits. Report R41242. February 9, 2021.

Available at: <https://crsreports.congress.gov/product/pdf/R/R41242>

- DeWitt, Larry (2010). The Development of Social Security in America, Social Security Bulletin, Vol. 70, No. 3, 2010.

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