

**Social Security Administration-Other Data**

| Year | Bend Points in PIA Formula (Note 1) |         | Old-law Earnings Base (Note 2) | National Average Earnings (Note 3) | Annual Exempt Amounts for Earnings Test (Note 4) |                    | Earnings Needed for a Quarter of Coverage | Automatic COLA Adjustments in Benefits (Note 5) | Year |
|------|-------------------------------------|---------|--------------------------------|------------------------------------|--|--------------------|---|---|------|
|      | First                               | Second  |                                |                                    | Below Normal Retirement Age*                     | Ages 65 through 69 |   |   |      |
|      |                                     |         |                                |                                    |  |                    |   |   |      |
| 1996 | \$437                               | \$2,635 | \$46,500                       | \$25,913.90                        | \$8,280  | \$12,500           | \$640                                     | 2.9%  | 1996 |
| 1997 | \$455                               | \$2,741 | \$48,600                       | \$27,426.00                        | \$8,640  | \$13,500           | \$670                                     | 2.1%  | 1997 |
| 1998 | \$477                               | \$2,875 | \$50,700                       | \$28,861.44                        | \$9,120  | \$14,500           | \$700                                     | 1.3%  | 1998 |
| 1999 | \$505                               | \$3,043 | \$53,700                       | \$30,469.84                        | \$9,600  | \$15,500           | \$740                                     | 2.5%  | 1999 |
| 2000 | \$531                               | \$3,202 | \$56,700                       | \$32,154.82                        | \$10,080   | \$17,000           | \$780                                     | 3.5%  | 2000 |
| 2001 | \$561                               | \$3,381 | \$59,700                       | \$32,921.92                        | \$10,680/ \$25,000*                              | na*                | \$830                                     | 2.6%  | 2001 |
| 2002 | \$592                               | \$3,567 | \$63,000                       | \$33,252.09                        | \$11,280/ \$30,000*                              | na*                | \$870                                     | 1.4%  | 2002 |
| 2003 | \$606                               | \$3,653 | \$64,500                       | \$34,064.95                        | \$11,520/ \$30,720*                              | na*                | \$890                                     | 2.1%  | 2003 |
| 2004 | \$612                               | \$3,689 | \$65,100                       | \$35,648.55                        | \$11,640/ \$31,080*                              | na*                | \$900                                     | 2.7%  | 2004 |
| 2005 | \$627                               | \$3,779 | \$66,900                       | \$36,952.94                        | \$12,000/ \$31,800*                              | na*                | \$920                                     | 4.1%  | 2005 |
| 2006 | \$656                               | \$3,955 | \$69,900                       | \$38,651.41                        | \$12,480/ \$33,240*                              | na*                | \$970                                     | 3.3%  | 2006 |
| 2007 | \$680                               | \$4,100 | \$72,600                       | \$40,405.48                        | \$12,960/ \$34,440*                              | na*                | \$1,000                                   | 2.3%  | 2007 |
| 2008 | \$711                               | \$4,288 | \$75,900                       | \$41,334.97                        | \$13,560/ \$36,120*                              | na*                | \$1,050                                   | 5.8%  | 2008 |
| 2009 | \$744                               | \$4,483 | \$79,200                       | \$40,711.61                        | \$14,160/ \$37,680*                              | na*                | \$1,090                                   | 0.0%  | 2009 |
| 2010 | \$761                               | \$4,586 | \$79,200                       | \$41,673.83                        | \$14,160/ \$37,680*                              | na*                | \$1,120                                   | 0.0%  | 2010 |
| 2011 | \$749                               | \$4,517 | \$79,200                       | na                                 | \$14,160/ \$37,680*                              | na*                | \$1,120                                   | 3.6%  | 2011 |
| 2012 | \$767                               | \$4,624 | \$81,900                       | na                                 | \$14,640/ \$38,880*                              | na*                | \$1,130                                   | -   | 2012 |

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

Notes:

- Primary Insurance Amount (PIA) formula is:
  - 90% of AIME up to 1st bend point, plus
  - 32% of AIME above 1st bend point up to 2nd bend point, plus
  - 15% of AIME above 2nd bend point
- Old-law earnings base disregards ad hoc increases contained in 1977 law.
- National average earnings for 2010 is an estimated value and may be significantly different from the final value.
- \*Under federal legislation enacted April 2000, the retirement earnings test no longer applies to people above normal retirement age (NRA). The NRA is age 65 for those born before 1938 and increases gradually to age 67. One of the two different exempt amounts apply, depending on the year an individual attains their NRA.
- Social Security cost-of-living-adjustments are applied to benefits in December that are payable in January. Effectively, the 2011 3.6% COLA applies to benefits paid from January 2012 through December 2012.