

Social Security wage base expected to increase in 2012

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The Social Security Administration's Office of the Chief Actuary (OCA) is projecting that the Social Security wage base will increase by at least \$3,500 in 2012. It has been \$106,800 since 2009. The projection was included as part of the annual report to Congress by the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Fund programs. Projections were made through 2020. The SSA provides three kinds of forecasts for Social Security wage bases (intermediate, low cost, and high cost). The SSA intermediate forecasts through 2020 are as follows:

- 2012 — \$110,700
- 2013 — \$114,900
- 2014 — \$120,000
- 2015 — \$125,400
- 2016 — \$130,800
- 2017 — \$135,900
- 2018 — \$141,300
- 2019 — \$146,700
- 2020 — \$153,300

The Social Security wage base is also projected to be \$110,700 in 2012 under the low cost forecast. It would be \$110,400 under the high cost forecast. The Social Security wage base would reach \$159,900 in 2020 under the high cost forecast. Actual annual increases to the wage base are announced in October of the preceding year and are based on then-current economic conditions. As a result, the OCA's forecasts, especially the longer-range ones, are subject to change. Last year, the OCA correctly projected that the Social Security wage base would remain at \$106,800 in 2011. The full report is on the SSA's website at <http://www.ssa.gov/oact/tr/2011/tr2011.pdf>.