4-8-2003


Ralph Cross
Municipal Technical Advisory Service, Ralph.Cross@tennessee.edu

Follow this and additional works at: http://trace.tennessee.edu/utk_mtastop

Part of the Public Administration Commons

The MTAS publications provided on this website are archival documents intended for informational purposes only and should not be considered as authoritative. The content contained in these publications may be outdated, and the laws referenced therein may have changed or may not be applicable to your city or circumstances. For current information, please visit the MTAS website at: mtas.tennessee.edu.

Recommended Citation

This Bulletin is brought to you for free and open access by the Municipal Technical Advisory Service (MTAS) at Trace: Tennessee Research and Creative Exchange. It has been accepted for inclusion in MTAS Publications: Hot Topics by an authorized administrator of Trace: Tennessee Research and Creative Exchange. For more information, please contact trace@utk.edu.
SOCIAL SECURITY FACT SHEET:
2003 SOCIAL SECURITY COST-OF-LIVING ADJUSTMENTS

By Ralph Cross
Finance and Accounting Consultant

Social Security Income (SSI) beneficiaries will receive a 1.4 percent cost-of-living adjustment for 2003. This increase is based on the growth in the Consumer Price Index (CPI-W) from the third quarter of 2001 through the third quarter of 2002.

Additional information below was extracted from Fact Sheet – Social Security, 2003 Social Security Changes, a press release from the Social Security Administration.

<table>
<thead>
<tr>
<th>Tax Rate</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>7.65%</td>
<td>7.65%</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>15.30%</td>
<td>15.30%</td>
</tr>
</tbody>
</table>

These tax rates reflect the combined rate for Social Security and Medicare. The 7.65 percent tax rate is composed of the Social Security (OASDI) rate of 6.20 percent and the Medicare rate of 1.45 percent. The Social Security portion is applied to earnings up to the applicable taxable maximum amount listed below. The Medicare portion is applied to all earnings.

<table>
<thead>
<tr>
<th>Maximum Earnings Table</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security (OASDI only)</td>
<td>$84,900</td>
<td>$87,000</td>
</tr>
<tr>
<td>Medicare (HI only)</td>
<td>No limit</td>
<td>No limit</td>
</tr>
</tbody>
</table>

Both employees and employers are subject to the rates and amounts listed above.
This reminder is for information purposes only. The material provided here should not be cited or used as authority for benefit or employment tax obligations or requirements. The Internal Revenue Code and the Social Security Act, along with regulations, revenue rulings, and case law, are the only valid citations of authority.

Mary E. Smith, Director of the Old Age and Survivors Insurance Agency for the state of Tennessee, has issued additional information regarding Social Security and Internal Revenue Service changes and opportunities in a memorandum dated December 2002. You may contact Ms. Smith in Nashville at (615) 741-7902.

You may request free printed materials from the Social Security Administration by calling (800) 772-1213. Up-to-date wage reporting information is available on the Internet at www.ssa.gov.

The Municipal Technical Advisory Service (MTAS) is a statewide agency of The University of Tennessee Institute for Public Service. MTAS operates in cooperation with the Tennessee Municipal League to provide technical assistance services to officials of Tennessee’s incorporated municipalities. Assistance is offered in areas such as accounting, administration, finance, public works, ordinance codification, and wastewater management.

Hot Topics are information briefs that provide a timely review of current issues of interest to Tennessee municipal officials. MTAS provides one copy free of charge to each Tennessee municipality, county, and department of state and federal government. There is a $2 charge for additional copies and those for the private sector. Photocopying this publication in small quantities for educational purposes is encouraged. For permission to copy and distribute large quantities, please contact the MTAS Knoxville office at (865) 974-0411.

**MTAS OFFICES**

Knoxville (Headquarters): (865) 974-0411

Johnson City: (423) 854-9882

Nashville: (615) 532-6827

Jackson: (731) 423-3710

Martin: (731) 587-7055

The University of Tennessee does not discriminate on the basis of race, sex, color, religion, national origin, age, disability, or veteran status in provision of educational programs and services or employment opportunities and benefits. This policy extends to both employment by and admission to the University.

The University does not discriminate on the basis of race, sex, or disability in its education programs and activities pursuant to the requirements of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act (ADA) of 1990.

Inquiries and charges of violation concerning Title VI, Title IX, Section 504, ADA, or the Age Discrimination in Employment Act (ADEA) or any of the other above referenced policies should be directed to the Office of Diversity Resources (DRES), 2110 Terrace Avenue, Knoxville, Tennessee, 37996-3560, telephone (865) 974-2498 (TTY available) or (865) 974-2440. Requests for accommodation of a disability should be directed to the ADA Coordinator at the Office of Human Resources, 600 Henley Street, Knoxville, Tennessee 37996-4125.

E14-1050-000-089-03