Hot Topic: Social Security and Medicare Budget Data for Fiscal Year 2003-2004

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Social Security and Medicare Budget Data for Fiscal Year 2003-2004

By Ralph Cross
MTAS Finance Consultant

The state Department of Treasury’s Division of Old Age and Survivors Insurance Agency recently released information regarding social security/medicare wage and tax data for the 2002-2004 budgets.

The following data was extracted from the 2001 OASDI Trustees Report issued by the Social Security Administration (SSA).

<table>
<thead>
<tr>
<th>Year</th>
<th>Social Security Tax Rate</th>
<th>Social Security Actual Wages Subject to Tax</th>
<th>Projected Wages Subject to Social Security</th>
<th>Medicare Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>6.20%</td>
<td>$76,200</td>
<td></td>
<td>1.45%</td>
</tr>
<tr>
<td>2001</td>
<td>6.20%</td>
<td>$80,400</td>
<td></td>
<td>1.45%</td>
</tr>
<tr>
<td>2002</td>
<td>6.20%</td>
<td>$84,900</td>
<td></td>
<td>1.45%</td>
</tr>
<tr>
<td>2003</td>
<td>6.20%</td>
<td>$89,100</td>
<td></td>
<td>1.45%</td>
</tr>
<tr>
<td>2004</td>
<td>6.20%</td>
<td>$93,300</td>
<td></td>
<td>1.45%</td>
</tr>
</tbody>
</table>

The maximum actual wages subject to social security for the next calendar year are calculated by the SSA and announced each fall. The maximum projected wages subject to social security are calculated by the SSA and are based on intermediate economic assumptions.

Both employees and employers are subject to the rates and amounts listed above.

Please note that all wages paid are subject to the Medicare tax.

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Free printed materials are available from the SSA by calling 1-800-772-1213 or writing to the Social Security Administration, Public Information Center, P.O. Box 17743, Baltimore, Md., 21235. Up-to-date wage reporting information is available on the Internet at http://www.ssa.gov

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