

CONSEIL D'ORIENTATION DES RETRAITES

Séance plénière du 28 janvier 2021 à 10h

« 1. Audition de M. Didier Blanchet, Président du CSR

2. Le droit à l'information en matière de retraite : audition de Stéphane Bonnet, Directeur de l'Union Retraite »

Document n° 5

<i>Document de travail, n'engage pas le Conseil</i>

L'information des assurés sur leur retraite : un panorama international

Secrétariat général du Conseil d'orientation des retraites

L'information des assurés sur leur retraite : un panorama international

Ce document présente un panorama des dispositifs d'information sur les retraites à destination des affiliés dans un sous-ensemble des pays suivis par le COR: Allemagne, Belgique, Canada, États-Unis, Pays Bas, Royaume-Uni et Suède¹. Quatre thématiques sont abordées : les objectifs de l'information dans les systèmes de retraite ; le contenu de l'information fournie aux assurés ; les méthodes de transmission de l'information ; le suivi et l'évaluation des systèmes d'information ainsi que l'état de connaissance des assurés.

Le périmètre de la comparaison est limité aux informations fournies aux affiliés des régimes publics obligatoires. La problématique de l'information des affiliés, sur une base volontaire, à des dispositifs de retraite complémentaire par capitalisation, n'est donc pas abordée même si l'information sur ces dispositifs est cruciale quant aux choix de l'âge de départ, du niveau de contribution et du choix des supports d'épargne, dans les pays dans lesquels cet étage est prépondérant dans la couverture du risque vieillesse.

Dans le contexte actuel de réforme des systèmes de retraite, le développement d'une information générale sur les régimes de retraite, mais également d'une information individualisée sur la situation de chaque assuré, constitue un enjeu majeur pour permettre la compréhension par les citoyens des systèmes de protection sociale en général. Une bonne connaissance individuelle des droits acquis et du fonctionnement des systèmes de retraite permet aux cotisants de préparer au mieux leur retraite et de prévoir d'éventuelles solutions complémentaires de financement².

1. Les objectifs des dispositifs d'information envers les assurés

1.1. Information générale et information individuelle

Les objectifs des dispositifs d'information retraite à destination des assurés sociaux sont doubles. D'une part, il s'agit d'informer les citoyens sur les évolutions et les perspectives des systèmes de retraite. Dans ce cas, l'information porte sur le fonctionnement du système de retraite, son cadre légal, sa capacité à fournir une couverture adéquate du risque de longévité et sa soutenabilité financière à court, moyen et long terme.

Au Canada et au Royaume-Uni, il n'existe pas d'information générale sur le système de retraite dans les relevés individuels de situation.

Aux États-Unis, la première page du relevé individuel contient un message du Commissaire à la sécurité sociale, par exemple sur les avantages et les inconvénients à partir tôt à la retraite. En Allemagne, le relevé individuel contient des informations générales, notamment sur l'indexation des pensions (voir *fac simile* en annexe page 17). Aux Pays-Bas, une information générale n'est envoyée qu'à la première affiliation ; ensuite, les relevés individuels ne contiennent que des informations personnelles.

¹ L'Espagne, l'Italie et le Japon ne figurent pas dans cette étude, faute de données récentes disponibles.

² Selon Fornero et al. (2019), « la Suède, les États-Unis et le Japon sont considérés comme des références [en matière d'information institutionnelle] ». Voir Fornero, E., N. Oggero, et R. Puglisi (2019), "Information and Financial Literacy for Socially Sustainable NDC Pension Schemes", Social Protection and Jobs Series, Working Paper n°1924, The World Bank.

En Suède, au lancement de la réforme mise en œuvre en 1999, l'envoi de l'« enveloppe orange » contenant le relevé individuel de situation s'est accompagné d'une information générale par courrier postal et sur le site internet de l'Agence suédoise des pensions. Afin d'attirer l'attention du public sur l'enveloppe orange et son contenu, l'Agence suédoise des pensions mène des campagnes d'informations sur plusieurs supports (journaux, télévision, panneaux d'affichage etc.) en février et mars. Les campagnes sont thématiques (information sur les réformes, sur la nécessité d'épargner, sur la comparaison avec le « Svensson moyen »³, sur les projections de pension individuelle etc.).

D'autre part, et dans tous les pays, il s'agit d'informer les individus encore en activité pour leur permettre d'effectuer des choix éclairés en matière de couverture du risque de longévité. La transmission d'information individuelle est éventuellement interactive, pour permettre aux assurés sociaux de contrôler que les données individuelles dont disposent les régimes de retraite sont exactes et exhaustives, notamment celles qui concernent les droits en cours de constitution. L'information individuelle porte sur les variables déterminantes du niveau des pensions servies par les différents régimes auxquels est affilié l'assuré, notamment l'âge de départ à la retraite, la durée de carrière, les paramètres d'indexation des pensions, les taux de remplacement etc. Tous les pays offrent la possibilité de corriger les informations personnelles contenues dans les relevés individuels.

1.2. Publics visés

Les publics visés sont en général tous les affiliés au(x) régime(s) public(s) de sécurité sociale (c'est-à-dire les personnes ayant versé au moins une cotisation au régime), avec des publics spécifiquement ciblés dans certains pays (voir tableau 1).

Ainsi, en Belgique, au Canada, aux États-Unis, aux Pays-Bas, au Royaume-Uni et en Suède, tous les travailleurs ayant au moins une cotisation dans l'année reçoivent un relevé individuel (au Canada, l'envoi est adressé aux cotisants âgés de 18 ans et plus ; en Allemagne aux cotisants âgés de 27 ans et plus justifiant d'au minimum 5 années de cotisations). Ce relevé individuel se limite à des données de carrières pour les cotisants les plus jeunes.

Ensuite, certains pays ciblent des publics plus spécifiques, en général sur des critères d'âge, en leur fournissant une information plus étendue. Ainsi, au-delà de 30 ans les affiliés au Canada reçoivent une information sur la pension qu'ils seront susceptibles de percevoir. Aux États-Unis, une information plus complète est fournie à tous les âges quinquennaux de 25 ans à 60 ans, les 25-35 ans recevant une information spécifique sur la nécessité de planifier leur retraite suffisamment tôt et les 55 ans et plus une information spécifique sur leur départ. En Belgique, l'estimation de pension est envoyée à partir de 55 ans. En Suède, trois catégories de population sont ciblées : les cotisants ; les nouveaux cotisants, qui ont la même information que les cotisants, plus une information spéciale sur le choix des fonds de placement pour leur compte capitalisé ; les retraités, divisés en trois sous-ensembles : les retraités qui ont totalement liquidé leurs droits, ceux qui ont liquidé partiellement leurs droits et continuent de travailler et ceux qui ont liquidé leur compte capitalisé mais qui continuent d'accumuler des droits sur leur compte notionnel. Aux Pays-Bas, deux populations sont ciblées : les affiliés 6 mois avant l'éligibilité à la pension du régime universel de base (AOW) ; les personnes devenant invalides ou les ayants-droits d'un assuré décédé. En Allemagne, avant la réforme de 2001, les assurés de 55 ans et

³ Suédois moyen.

plus recevaient un relevé de pension (comprenant l'historique des rémunérations de la carrière) tous les trois ans jusqu'à 64 ans. Ce relevé de pension continue d'être envoyé et se substitue à la lettre d'information standard aux âges de 55, 58, 61 et 64 ans.

Tableau 1. Caractéristiques des destinataires des relevés d'information par voie postale

	Population générale (relevé de carrière)	Populations ciblées (information plus complète)
Allemagne	Cotisants âgés de plus de 27 ans et ayant cotisé pendant au moins 5 ans	À 55, 58, 61 et 64 ans : information détaillée sur la carrière et sur le niveau de pension
Belgique	Travailleurs ayant une cotisation dans l'année	À partir de 55 ans : information sur la pension
Canada (RPC)	Cotisants âgés d'au moins 18 ans	À partir de 30 ans : information sur la pension estimée
États-Unis	Travailleurs ayant une cotisation dans l'année	<ul style="list-style-type: none"> • À chaque âge quinquennal, de 25 ans à 60 ans • Tranche d'âge 25-35 ans : information spécifique sur la nécessité de planifier leur retraite suffisamment tôt • Tranche d'âge des 55 ans et plus : information spécifique sur leur départ.
Pays-Bas	Travailleurs ayant une cotisation dans l'année	<ul style="list-style-type: none"> • Affiliés 6 mois avant l'éligibilité à la pension du régime universel de base (AOW) ; • Personnes devenant invalides ou ayants-droits d'un assuré décédé.
Suède	Travailleurs ayant une cotisation dans l'année	<ul style="list-style-type: none"> • Cotisants ; • Nouveaux cotisants, qui ont la même information que les cotisants, plus une information spéciale sur le choix des fonds de placement pour leur compte capitalisé ; • Retraités : <ul style="list-style-type: none"> - qui ont totalement liquidé leurs droits ; - qui ont liquidé partiellement leurs droits et continuent de travailler - qui ont liquidé leur compte capitalisé mais qui continuent d'accumuler des droits sur leur compte notionnel.

Sources : El Mekkaoui et Legendre (2010) ; Janssen, S. *et al.* (2013) ; Kritzer, B. et B. Smith (2016) ; Napier, A. et J. Spencer (2013) ; Van der Smitte, J. (2013).

Lorsque des pays adoptent des réformes impactant certaines générations, une information spécifique est envoyée à ces générations (c'est le cas au Canada, où ces générations reçoivent une information en ligne).

2. Le contenu de l'information individuelle

2.1. Information large vs. information restreinte

L'information fournie dans les relevés individuels dépend de l'organisation institutionnelle du système de retraite. Dans les pays dans lesquels la pension de retraite de base obligatoire est forfaitaire et versée sous condition d'âge et de résidence, les informations sont en général restreintes. Lorsque le système de retraite comprend un grand nombre de régimes et que les règles de calcul des pensions sont complexes, l'information est nécessairement plus étendue.

2.2. Les principales informations individuelles

Selon les modalités de calcul des pensions, les informations individuelles qui figurent dans les relevés communiqués aux assurés portent sur :

- les éléments de carrière (cotisations versées, rémunérations soumises à cotisations, rémunérations ouvrant droit à pension) ;
- le niveau anticipé de pension, selon l'âge de liquidation des droits à la retraite ;
- les autres droits (pensions d'invalidité, de réversion, prestations annexes).

Le tableau 2 détaille ces informations, pays par pays.

Au Canada, les assurés sont informés sur les cotisations versées et les rémunérations soumises à cotisations, au fil de la carrière. Ils ont une estimation du montant de la pension qu'ils percevront s'ils partent à l'âge normal (65 ans), puis à l'âge d'ouverture des droits (60 ans), puis à 70 ans. Des informations sur une éventuelle pension d'invalidité ou de réversion sont également données. Aux États-Unis, les informations sont sensiblement les mêmes (*mutatis mutandis* pour les âges légaux), mais figure en complément une information sur les prestations de santé pour les personnes âgées (*Medicare*, accessible aux personnes de 65 ans et plus, en contrepartie de cotisations qui sont également mentionnées sur le relevé individuel).

Le contenu de la lettre d'information à destination des assurés en Allemagne est assez proche des lettres canadienne et américaine. Les assurés allemands ont un récapitulatif des cotisations versées, des points acquis. Ils sont informés sur la possibilité de recevoir immédiatement une pension d'invalidité, sur les droits à pension déjà acquis et sur les droits futurs anticipés (sur la base d'une projection de leur rémunération moyenne perçue au cours des cinq dernières années). La lettre contient également une explication des mécanismes d'indexation des pensions après la liquidation, selon différents scénarios et attire l'attention sur le fait que le facteur d'indexation ne prend pas en compte l'inflation. Enfin, la lettre insiste sur l'importance de se constituer une épargne volontaire en vue de la retraite et de tenir compte de la baisse de pouvoir d'achat lorsqu'on planifie sa retraite.

En Suède, l'information fournie aux assurés a été allégée au fil du temps. Les assurés sont informés sur le compte notionnel (en répartition) et le compte capitalisé (*premiépension*). Pour chacun des deux comptes, les assurés ont un récapitulatif des droits en cours d'acquisition (y compris les gains hérités, nets des frais d'administration). Pour le compte capitalisé, les assurés

ont une information récapitulative sur les montants investis dans chacun des différents fonds qu'ils ont choisis, ainsi que l'allocation d'actifs choisie pour chaque fonds et les frais de gestion associés. Jusqu'en 2018, la première page de la lettre permettait de visualiser le montant total de pension (somme des pensions du compte notionnel et du compte capitalisé) à l'âge d'ouverture des droits (61 ans), à l'âge de perception de la pension garantie (65 ans), à l'âge pivot (celui auquel l'assuré devrait liquider ses droits pour obtenir le même montant de pension qu'il aurait obtenu à 65 ans s'il n'y avait pas eu d'augmentation d'espérance de vie pour sa génération depuis 1995) et à 70 ans. Depuis, l'information communiquée dans la lettre ne concerne que les droits acquis, ainsi que le montant de pension probable à l'âge pivot.

2.3. Neutralité vs. normativité

La communication institutionnelle privilégie un langage simple, correspondant au niveau B1 du Cadre Européen Commun de Référence pour les langues pour les pays européens⁴. Dans les pays multilingues, la communication se fait dans les langues officielles et parfois dans des langues supplémentaires. Au Royaume-Uni, les informations sont en anglais et en gallois, sans référence au niveau de langage B1. En Belgique, la communication se fait en flamand, en français et en allemand ; outre ces trois langues, les Pays-Bas utilisent également l'espagnol, le polonais et le turc dans leur communication envers les assurés.

De manière générale, le contenu des courriers annuels envoyés aux assurés évolue vers plus de concision et de simplicité au fil du temps. En Suède par exemple, la lettre d'information comportait initialement 8 pages, avec un contenu technique important ; elle se résume aujourd'hui à quatre pages, dans un format très épuré (voir annexe page 26). La lettre à destination des assurés allemands tient en deux pages, mais avec un contenu rédactionnel important et technique (voir annexe page 16). Aux États-Unis, malgré des allègements substantiels depuis son premier envoi, la lettre reste longue et dense (voir annexe page 20).

Les relevés individuels contiennent en général une information factuelle, sans prescription normative affichée. Comme le relate l'encadré 1, la manière de formuler des informations factuelles n'est cependant pas neutre. Par ailleurs, quelques pays ont des prescriptions normatives explicites : c'est le cas de l'Allemagne qui incite les assurés à constituer une épargne retraite pour pallier la baisse anticipée des taux de remplacement du régime général obligatoire. C'est également le cas aux États-Unis, où l'information est présentée de manière à inciter les assurés à différer leur départ à la retraite.

⁴ Parmi les compétences en matière de lecture pour s'informer et discuter :

- Peut identifier les principales conclusions d'un texte argumentatif clairement articulé.
- Peut reconnaître le schéma argumentatif suivi pour la présentation d'un problème sans en comprendre nécessairement le détail.
- Peut reconnaître les points significatifs d'un article de journal direct et non complexe sur un sujet familier.
- Peut comprendre le mode d'emploi d'un appareil s'il est direct, non complexe et rédigé clairement.

Tableau 2. Principales informations fournies dans le relevé individuel périodique (hors courriers spécifiques)

	Allemagne	Belgique	Canada	États-Unis	Pays-Bas	Suède
Cotisations	Oui	Déroulement de carrière (nombre de journées de travail et journées assimilées, types d'activité, rémunérations)	Oui	Oui (retraite et maladie)	Non	Valeur des sommes accumulées dans chaque compte (notionnel et capitalisé) ; variation annuelle du compte
Rémunérations, points ou droits acquis	Points acquis (cumulés jusqu'à la date de l'estimation)		Rémunération ouvrant droit à retraite, année par année	Rémunération ouvrant droit à retraite et au <i>Medicare</i> , année par année	Non	
Âge	Rappel des âges légaux	65 ans	Rappel des âges légaux	Rappel des âges légaux	Estimations pour un départ : - entre 60 et 65 ans - à 65 ans et au-delà	Âge pivot
Pension de droit direct	Droits à pension acquis Droits futurs estimés Évolution estimée de la pension au cours de la retraite, selon différents scénarios d'indexation	Estimation pour un départ à 65 ans	Estimation pour un départ - à 65 ans - à 60 ans - à 70 ans	A 62 ans À l'âge du taux plein À 70 ans	Niveau de pension déjà acquis et niveau de pension cible - pour un départ entre 60 et 65 ans - pour un départ à 65 ans et au-delà	Estimation des pensions futures à différents âges, en fonction de l'âge de première liquidation
Pension d'invalidité	Oui, en cas d'éligibilité immédiate	?	Oui	Oui	Non	Sans objet
Pension de réversion	Non	?	Oui	Oui	Non	Sans objet
Prestations annexes	Non	?	Versement unique de capital décès	Oui (supplément de pension sous condition de ressources, <i>Medicare</i>)	Non	Gains hérités
Frais d'administration	Non	Non	Non	Non	Non	Pour chaque compte
Fonds de pension	Sans objet	Sans objet	Sans objet	Sans objet	Montant investi	Montant investi dans chaque fonds ; allocation d'actifs

Sources : Janssen, S. et al. (2013) ; Kritzer, B. et B. Smith (2016) ; Napier, A. et J. Spencer (2013) ; Van der Smitte, J. (2013) ; sites internet des régimes.

Encadré 1. Comment la manière de formuler l'information affecte la décision de départ à la retraite : l'exemple des États-Unis

Les développements récents de l'économie comportementale montrent que les décisions économiques des individus peuvent être influencées par la manière dont leur sont présentées des informations pertinentes à la prise de décision. On parle d'effet de présentation (*framing effect*).

Dans une étude récente¹ sur la décision de départ à la retraite aux États-Unis, des chercheurs montrent que l'âge auquel des individus actifs pensent partir à la retraite dépend de la manière dont les choix possibles leur sont exposés.

- Description de l'expérience

Dans leur protocole expérimental, les sondés (représentatifs des actifs ayant au minimum dix ans de carrière) ont d'abord été interrogés par la question « neutre » suivante : « Comme vous le savez, aux États-Unis, les gens peuvent commencer à faire valoir leurs droits à la retraite de sécurité sociale entre 62 et 70 ans. À quel âge envisageriez-vous de faire valoir vos droits ? ». La réponse à cette question constitue « l'âge de référence ».

Six semaines plus tard, les sondés sont de nouveau interrogés, mais avec deux questions formulées différemment ; puis, dans deux autres vagues espacées de deux semaines, ils répondent à deux autres questions. Chaque individu, réparti aléatoirement dans les vagues du sondage, répond ainsi à six formulations différentes d'une même question : « Compte tenu de ces informations, à quel âge pensez-vous faire valoir vos droits à la retraite ? (le répondant doit choisir en positionnant un curseur entre 62 et 70 ans). Chaque formulation (F1 à F10) est basée sur l'estimation réelle, personnalisée pour chaque sondé, de la sécurité sociale ; les chiffres donnés ci-dessous sont des exemples tirés du questionnaire.

- Formulations des questions

F1. Selon nos calculs, compte tenu de votre carrière, si vous partez à la retraite à 63 ans plutôt qu'à 62 ans, vous gagnerez 103 dollars par mois de plus pendant toute la durée de votre retraite, par rapport aux 1 652 dollars si vous partez à 62 ans. Cependant, vous perdrez 18 588 dollars, correspondant à la pension que vous ne percevrez pas entre 62 et 63 ans. Nous avons calculé que pour récupérer les 18 588 dollars, vous devrez vivre encore 15 ans de plus.

F2. Supposons que vous fassiez valoir vos droits à la retraite à 66 ans. Dans ce cas, vous recevrez une pension mensuelle de 2 065 dollars tant que vous serez en vie. Si vous faites valoir vos droits à 65 ans, vous recevrez 1 927 dollars et à 67 ans, 2 230 dollars.

F3. Les exemples chiffrés sont les mêmes que dans la formulation F1, mais la formulation insiste sur les gains de consommation supplémentaires que permettrait un départ plus tardif à la retraite, plutôt que de formuler la question en termes de gains monétaires.

F4. La formulation est identique à F3, mais c'est l'âge de 66 ans (âge du taux plein, présenté comme « âge normal de la retraite ») qui est mis en avant, plutôt que l'âge de 62 ans.

F5. La formulation est symétrique à F4 : si vous partez à 65 ans plutôt qu'à 66 ans, vous perdrez 165 dollars de consommation mensuelle tant que vous serez en vie.

F6. La formulation est identique à F5, mais c'est l'âge de 70 ans qui sert de référence pour évaluer la perte de consommation si l'individu avance son départ.

F7 à F10. Le choix des âges servant de base de calcul est identique aux formulations F3 à F6, mais la formulation est présentée en termes de gains, ou de pertes, de rendement (*return*) de l'opération retraite. Ainsi la formulation F7 présente les termes de l'arbitrage comme suit : « si vous faites valoir vos droits à 63 ans plutôt qu'à 62 ans, votre pension mensuelle aura un rendement supplémentaire de 103 dollars, et si vous décalez votre départ jusqu'à 70 ans, le rendement sera de 1 177 dollars ».

Selon les auteurs, la formulation F1 (qui était effectivement la formulation utilisée par l'administration de sécurité sociale avant 2008) insiste sur la nécessité de vivre suffisamment

longtemps pour pouvoir bénéficier de la neutralité actuarielle de l'opération retraite. Selon leur intuition, elle est de nature à induire un biais d'avancement de la date envisagée de départ à la retraite. Les autres formulations permettent de tester si les individus sont sensibles à une présentation symétrique des gains et des pertes induits par un report, ou un déport, de leur départ à la retraite ; s'ils sont plus enclins à moduler leur âge de départ selon qu'ils perçoivent la retraite comme une opération financière ou comme une opportunité de consommation ; si les âges « normatifs » influent sur la décision de départ.

- Résultats de l'expérience

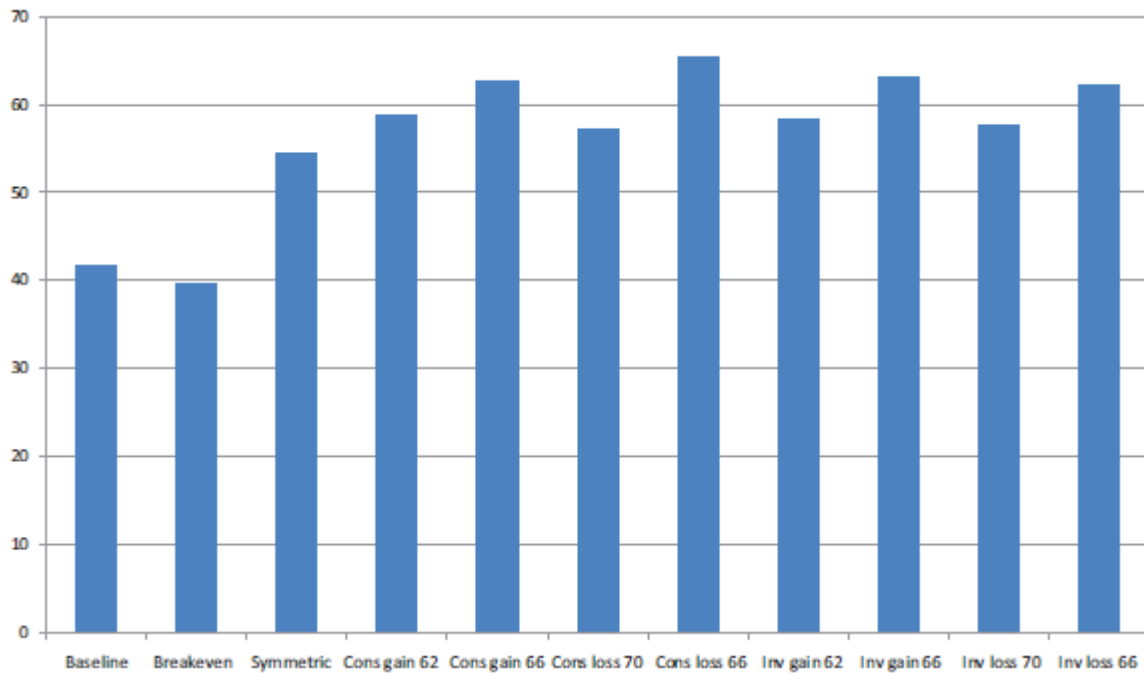
Les résultats de l'expérience montrent sans ambiguïté que l'âge auquel les individus pensent liquider leurs droits à la retraite est influencé par la manière dont les informations relatives au niveau de pension liquidée leur sont présentées.

À la question « neutre », les sondés répondent qu'ils envisagent de faire valoir leurs droits à la retraite à 65,25 ans pour les hommes et à 65,58 ans pour les femmes, soit en moyenne 41,33 mois au-delà de 62 ans (voir figure 1). Lorsque la question invite à faire un bilan coût-bénéfice d'un report d'une année de l'âge de départ (formulation F1), les sondés répondent qu'ils envisagent de décaler leur âge de départ de 39,6 mois au-delà de 62 ans. Cette formulation induit donc les individus à partir à la retraite plus tôt qu'une formulation neutre.

Dans toutes les autres formulations, les sondés repoussent leur âge de départ anticipé, par rapport à la formulation neutre. Ainsi, lorsque les sondés répondent à la question présentant les niveaux de pension de manière symétrique autour de l'âge de 66 ans (pension à 65 ans, 66 ans et 67 ans), ils repoussent leur âge de départ de 54,5 mois au-delà de 62 ans (soit plus d'une année par rapport à la formulation F1).

Les résultats montrent également que lorsque la question fait référence à l'âge « normal » de départ à la retraite (66 ans), plutôt qu'à l'âge d'ouverture des droits (62 ans), les sondés décalent leur âge de départ de l'ordre de 3 mois. Formuler la question en termes de perte (si on avance son départ) par rapport à un âge donné amène les sondés à répondre qu'ils partiront plus tôt que lorsque la question est formulée en termes de gain (si on recule son départ). Ce résultat est surprenant dans la mesure où les expériences montrent généralement que les individus ont plus d'aversion à la perte que d'appétence au gain. En revanche, formuler la question en termes de consommation ou de rendement ne semble pas induire des comportements de départ différents. Enfin, les femmes semblent plus sensibles à l'effet de présentation que les hommes, de même que les personnes financièrement contraintes.

Figure 1. Âge moyen de liquidation des droits à la retraite, selon la manière de formuler les questions (en nombre de mois après 62 ans)



Guide de lecture : lorsque la question est formulée de manière neutre (*baseline* : « à quel âge envisagez-vous de prendre votre retraite ? », la réponse moyenne est 65 ans et 4 mois, soit 41,33 mois au-delà de 62 ans. *Breakeven* = formulation en termes actuariels. *Cons gain 62* : formulation en termes de gains de consommation par rapport à un départ à 62 ans. *Cons loss 70* : formulation en termes de pertes de consommation par rapport à un départ à 70 ans. *Inv gain 62* : formulation en termes de rendement par rapport à un départ à 62 ans.

¹ Source : Brown, J., Kapteyn, A. et O. Mitchell (2016), “Framing and Claiming: How Information-Framing Affects Expected Social Security Claiming Behavior”, *The Journal of Risk and Insurance*, 83(1), 139-162.

3. Les méthodes de transmission de l’information

3.1. Le cadre légal de l’information individuelle sur les droits à la retraite dans les régimes publics de retraite obligatoire

L’envoi automatique et périodique d’une information individuelle sur les droits à retraite des assurés est une obligation légale dans tous les pays considérés, sauf au Royaume-Uni (voir tableau 3). En Europe, l’information des assurés relève de différents corpus juridiques (voir encadré 2).

Encadré 2. L'information des assurés dans le droit européen

La soft law¹

Si la question de l'information apparaît dans le cadre juridique ancien de la coordination européenne des régimes de sécurité sociale², les textes appelant les institutions de Sécurité sociale à améliorer leur communication ne visent que l'information des assurés dans son domaine strict d'application, à savoir la libre circulation d'un État membre à l'autre.

Dès 2000, à l'occasion du sommet européen de Lisbonne, un « Groupe de haut niveau » sur la protection sociale a mené une étude sur l'évolution à long terme de la protection sociale accordant une attention particulière à la viabilité des régimes de retraite à différentes échéances jusqu'en 2020. Ce Groupe de haut niveau a proposé dix principes directeurs et objectifs de réforme, parmi lesquels l'objectif 6 : « Assurer la transparence et la prévisibilité : les membres d'un système de pension devraient clairement savoir ce qu'ils peuvent attendre en matière de prestations ».

En 2001, les États membres ont identifié onze objectifs pour garantir l'avenir des retraites⁴ au nombre desquels figure l'information individuelle des assurés: « Rendre les systèmes de pensions plus transparents et adaptables à l'évolution des contextes, de façon que les citoyens puissent continuer à avoir confiance en eux. Développer des informations fiables et simples sur les perspectives à long terme des systèmes de pensions, notamment en ce qui concerne la probable évolution des niveaux des prestations et des taux de cotisation. Promouvoir le plus large consensus possible sur les politiques et réformes des pensions. Améliorer la base méthodologique pour un suivi efficace des réformes et politiques des pensions ».

La hard law

Dès 2003, la directive concernant les activités et la surveillance des institutions de retraite professionnelle⁵ comporte un volet lié à l'information des affiliés tant sur les droits acquis que sur la situation financière de l'institution. Cette directive a été modifiée à plusieurs reprises et a fait l'objet d'une refonte en 2016. Ainsi, le titre IV de la directive 2016/2341 du 14 décembre 2016⁶ consacré aux informations à fournir aux affiliés potentiels, aux affiliés et aux bénéficiaires établit que les institutions de retraite professionnelle devraient leur fournir : [...] *des informations claires et appropriées qui les aident à prendre des décisions concernant leur retraite et qui assurent une transparence élevée au cours des différentes phases du régime, à savoir la phase précédant l'affiliation, la phase d'affiliation (y compris la phase précédant la retraite) et la retraite elle-même. [...] En particulier, des informations devraient être fournies en ce qui concerne les droits à retraite accumulés, les niveaux de prestation de retraite prévus, les risques et les garanties ainsi que les coûts. [...] Pour les affiliés, les IRP devraient établir un relevé sur les droits à retraite contenant les principales informations personnelles et générales sur le régime de retraite.*

¹ La soft law désigne les textes européens sans valeur juridique contraignante (recommandations, livres verts, livres blancs etc.). Elle s'oppose à la hard law qui désigne les textes contraignants les États membres (directives, règlements, jurisprudence).

² <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:166:0001:0123:FR:PDF>

³ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2000:0622:FIN:FR:PDF>

⁴ http://ec.europa.eu/employment_social/news/2002/jan/laeken_fr.pdf

⁵ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:235:0010:0021:FR:PDF>

⁶ <https://eur-lex.europa.eu/legal-content/FR/TXT/HTML/?uri=CELEX:32016L2341>

Sources : Observatoire des retraites (2010), *L'information des actifs en Europe sur leurs droits à la Retraite*, n°17, avril ; législation récente.

Tableau 3. Caractéristiques des modalités de transmission de l'information

	Date d'adoption de l'obligation légale	Année de la première campagne		Fréquence d'envoi	Portail avec identification	Simulateur en ligne
		Courrier	En ligne			
Allemagne	2001	2002	2012	Annuelle pour la lettre de base Tous les 3 ans pour l'information complète	Non	Oui (montant de pension)
Belgique	2005	2006	?	Annuelle pour les informations de carrière ; tous les 5 ans pour un relevé global	Oui	Oui
Canada (RPC)	1966	1984	2005	A la demande Irrégulière	Oui	Oui
États-Unis	1989	1995	2012	Annuelle	Oui	Oui
Pays-Bas	2000	2008	2011	Lors de l'affiliation, puis Annuelle	Oui	Oui par les organismes gestionnaires
Royaume-Uni	Pas d'obligation légale	Sans objet	Sans objet	À la demande	Oui	Oui
Suède	1999	1999	2004	Annuelle Possibilité de renoncer à l'envoi	Oui	Oui

Sources : El Mekkaoui et Legendre (2010) ; Janssen, S. *et al.* (2013) ; Kritzer, B. et B. Smith (2016) ; Napier, A. et J. Spencer (2013) ; Parchmann, S. (2013) ; Van der Smitte, J. (2013).

3.2. Le canal traditionnel

Le canal traditionnel de transmission automatique de l'information retraite est le courrier postal ; la Suède a popularisé cet envoi dans une enveloppe orange afin que les affiliés puissent la distinguer clairement dans leur boîte aux lettres. L'envoi postal automatique est utilisé dans tous les pays, sauf au Royaume-Uni (voir tableau 3). Les courriers postaux peuvent être également envoyés sur demande des affiliés, dans tous les pays considérés.

- Les envois périodiques

En Allemagne, en Belgique, aux Pays-Bas et en Suède, une information individuelle retraite par courrier postal est envoyée tous les ans. C'était également le cas aux États-Unis entre 1990 et 2011, chaque affilié recevant son information individuelle trois mois avant son anniversaire. En raison de restrictions budgétaires entre 2012 et 2014, l'envoi annuel a été ciblé sur les travailleurs de 60 ans et plus. Depuis 2014, l'envoi d'un courrier postal se fait de nouveau sur une base annuelle, mais uniquement pour les affiliés n'ayant pas créé de compte en ligne *My Social Security*.

- Les envois sans périodicité définie

Au Canada, il n'existe pas de périodicité prédéterminée par la loi et la fréquence des envois dépend des contraintes budgétaires. Un effort particulier est réalisé lors des années de réforme, notamment vis-à-vis des catégories de travailleurs affectés par la réforme, qui reçoivent le relevé d'information prioritairement. Depuis 2002, le régime des pensions du Canada a développé un *Smart Statement Of Contributions* (Smart SOC) à partir de 2002, consistant à fournir une information minimale ciblée sur certaines catégories d'affiliés : les nouveaux affiliés ; les travailleurs approchant l'âge d'ouverture des droits ; les personnes ayant atteint l'âge d'ouverture des droits mais n'ayant pas encore fait valoir leurs droits à la retraite. Au Royaume-Uni également, une information spécifique est envoyée aux affiliés affectés par une réforme : ce fut le cas lorsque le Royaume-Uni a aligné l'âge d'ouverture des droits des femmes sur celui des hommes, avec un calendrier de montée en charge s'étalant sur une décennie.

3.3. Les informations en ligne par internet

Tous les pays se sont progressivement dotés de dispositifs d'information en ligne, sur des sites classiques, sur des portails et/ou des messageries dédiés avec identification (voir tableau 3). En Suède, il existe un site unique pour obtenir une information individuelle sur sa pension de compte notionnel, sa pension de compte capitalisé et sa pension professionnelle. Les assurés peuvent opter pour la version en ligne seulement (et donc choisir une option de sortie de l'envoi papier). Les Pays-Bas ont adopté le même principe d'une information centralisée en ligne pour l'ensemble des régimes obligatoires (*UPO*).

Aux États-Unis, il existe depuis 2012 une version en ligne du relevé de sécurité sociale pour tous les travailleurs âgés de 18 ans et plus (alors que l'information papier n'est envoyée qu'aux travailleurs âgés de 25 ans et plus). En Allemagne, la lettre d'information est également disponible en ligne depuis 2012, mais les affiliés ne disposent pas d'un compte en ligne.

3.4. L'information sollicitée par les assurés (en face à face, par téléphone, ou par internet)

Outre les informations envoyées de manière automatique ou périodique, des informations peuvent être envoyées sur demande. Tous les pays ont désormais des sites dédiés sur lesquels les assurés peuvent obtenir des relevés de droits. Dans certains pays, des guichets dédiés sont à disposition des assurés, soit dans des lieux déterminés (par exemple en Belgique, avec les *pensioenpunten*), soit par téléphone (appel gratuit).

4. Le suivi, l'évaluation et la compréhension des informations fournies

La plupart des pays considérés évaluent leur dispositif d'information retraite. Les objectifs de ces évaluations sont divers :

- s'assurer que les assurés ont bien connaissance de l'existence du dispositif d'information (Allemagne, Canada, États-Unis, Suède) ;
- évaluer le degré de compréhension, par les assurés, des informations fournies (Suède) ;
- évaluer l'impact du dispositif sur le comportement (Canada);
- évaluer l'utilité de l'information (Canada, Suède) ;
- de manière plus générale, évaluer la satisfaction des assurés vis-à-vis de l'information fournie (Allemagne).

Au Canada, cinq sondages ont été menés entre 1999 et 2006. En 2006, 85 % des personnes âgées de 59 et 60 ans avaient reçu leur relevé estimatif et 75 % l'avait lu. Aux États-Unis, neuf enquêtes se sont déroulées entre 1998 et 2010. En 2010, 62 % des sondés se rappelaient avoir regardé leur relevé d'estimation de pensions, 42 % leur relevé de rémunérations ; 32 % des sondés âgés de 55 ans ou plus ont déclaré avoir lu l'encart spécial intitulé « Vous pensez prendre votre retraite ? ». 30 % de l'ensemble des enquêtés (42 % de ceux âgés de 55 ans ou plus) ont dit utiliser le relevé d'information pour planifier leur départ à la retraite. 70 % des répondants ont estimé l'information utile.

En Suède, une enquête annuelle se déroule six semaines après envoi de l'enveloppe orange. En 2014, 95 % des cotisants (mais seulement 82 % des nouveaux cotisants) et 94 % des retraités déclaraient avoir reçu l'enveloppe orange. Parmi les personnes ayant reçu l'enveloppe, 82 % des cotisants (79 % des nouveaux cotisants) et 95 % des retraités déclaraient l'avoir ouverte. Parmi ceux qui l'avaient ouverte, 10 % des cotisants et 6 % des retraités n'en avait lu aucune ligne, mais respectivement 21 % et 33 % l'avait lue entièrement. Globalement, le contenu était jugé compréhensible pour 64 % des cotisants et 69 % des retraités et l'information suffisante par 81 % des répondants.

Encadré 3. Le système public d'assurance retraite au Royaume-Uni, quelle information et quelle opinion des assurés ?

Le système public d'assurance retraite au Royaume-Uni a été substantiellement modifié en avril 2016, avec l'introduction d'un étage unique, obligatoire, universel et à pension forfaitaire, la *State Pension*. Le passage à un étage unique, alors qu'antérieurement coexistaient deux étages, l'un forfaitaire obligatoire et l'autre proportionnel et optionnel, s'est accompagné d'un relèvement programmé des âges légaux d'ouverture selon un rythme différencié pour les femmes et les hommes.

Bien que la réforme ait été conçue pour rendre le système plus compréhensible, une enquête auprès de 6 000 sondés en ligne et par téléphone en novembre 2017 a montré que l'objectif n'est pas atteint. La compréhension (autoévaluée) du système est faible : 58 % des sondés ont une connaissance lacunaire, ou ne connaissent pas, le système de pension public. La connaissance du système augmente avec l'âge : seuls 17 % des 18-29 ans ont une connaissance raisonnable ou bonne de la *State Pension*, contre 45 % des 50-59 ans (et 68 % des plus de 70 ans). Seuls 89 % des sondés non retraités anticipent recevoir une *State Pension* ; parmi ceux-ci, 26 % pensent la recevoir à l'âge effectif d'ouverture des droits pour leur génération, 40 % la recevoir plus tôt et 34 % plus tard. 14 % des sondés non retraités pensent qu'ils ne partiront jamais à la retraite ; les personnes appartenant aux catégories socio-professionnelles les plus défavorisées sont les plus enclines à le penser, pour des raisons financières. Toutefois, les travailleurs manuels et les employés non qualifiés pensent qu'ils s'arrêteront de travailler, pour des raisons de santé.

Source: Is State Pension knowledge too low for informed financial decisions? Pensions Policy Institute, Briefing note n° 107.

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Annexe 1 :
spécimens de lettre d'information en Allemagne, au Canada, aux États-Unis et en Suède

Allemagne (régime général obligatoire – Rentenversicherung)

Versicherungsnummer
10 300671 O 347, (000-00)



Hauptverwaltung

Ruhrstr. 2, 10709 Berlin
Postanschrift: 10704 Berlin
Telefon 0800-100048070
Telefax 030 865-27240
E-Mail
drv@drv-bund.de
Homepage
www.deutsche-rentenversicherung
-bund.de

Datum 16.01.2018

Herrn
Max Mustermann
Ruhrstr. 2
10709 Berlin

Deutsche Rentenversicherung Bund · 10704 Berlin

Renteninformation 2018

Ihre Renteninformation

Sehr geehrter Herr Mustermann,

in dieser Renteninformation haben wir die für Sie vom 01.09.1987 bis zum 31.12.2017 gespeicherten Daten, den Versorgungsausgleich und das geltende Rentenrecht berücksichtigt. Ihre Regelaltersrente würde am 01.07.2038 beginnen. Änderungen in Ihren persönlichen Verhältnissen und gesetzliche Änderungen können sich auf Ihre zu erwartende Rente auswirken. Bitte beachten Sie, dass von der Rente auch Kranken- und Pflegeversicherungsbeiträge sowie gegebenenfalls Steuern zu zahlen sind. Auf der Rückseite finden Sie zudem wichtige Erläuterungen und zusätzliche Informationen.

Rente wegen voller Erwerbsminderung

Wären Sie heute wegen gesundheitlicher Einschränkungen voll erwerbsgemindert, bekämen Sie von uns eine monatliche Rente von:

Höhe Ihrer künftigen Regelaltersrente

Ihre bislang erreichte Rentenanwartschaft entspräche nach heutigem Stand einer monatlichen Rente von:
Sollten bis zum Rentenbeginn Beiträge wie im Durchschnitt der letzten fünf Kalenderjahre gezahlt werden, bekämen Sie ohne Berücksichtigung von Rentenanpassungen von uns eine monatliche Rente von:

Rentenanpassung

Aufgrund zukünftiger Rentenanpassungen kann die errechnete Rente in Höhe von 2.334,21 EUR tatsächlich höher ausfallen. Allerdings können auch wir die Entwicklung nicht vorhersehen. Deshalb haben wir - ohne Berücksichtigung des Kaufkraftverlustes - zwei mögliche Varianten für Sie gerechnet. Beträgt der jährliche Anpassungssatz 1 Prozent, so ergäbe sich eine monatliche Rente von etwa 2.870 EUR. Bei einem jährlichen Anpassungssatz von 2 Prozent ergäbe sich eine monatliche Rente von etwa 3.530 EUR.

Zusätzlicher Vorsorgebedarf

Da die Renten im Vergleich zu den Löhnen künftig geringer steigen werden und sich somit die spätere Lücke zwischen Rente und Erwerbseinkommen vergrößert, wird eine zusätzliche Absicherung für das Alter wichtiger ("Versorgungslücke"). Bei der ergänzenden Altersvorsorge sollten Sie - wie bei Ihrer zu erwartenden Rente - den Kaufkraftverlust beachten.

Mit freundlichen Grüßen

Ihre Deutsche Rentenversicherung
Bund

Bitte nehmen Sie diesen Beleg zu Ihren Rentenunterlagen.

Date de premier versement de cotisation

Date d'atteinte de l'âge légal d'ouverture des droits (AOD)

Montant de pension si invalidité immédiate

Montant de pension à l'AOD, en l'absence de cotisations supplémentaires

Montant de pension à l'AOD, si les cotisations se poursuivent sur la base de la moyenne des 5 dernières années

Montant de pension à l'AOD sous l'hypothèse de revalorisation de 1 %

Montant de pension à l'AOD sous l'hypothèse de revalorisation de 2 %

1.752,74 EUR

1.207,69 EUR

2.334,21 EUR

2.870 EUR

3.530 EUR

Grundlagen der Rentenberechnung

Die Höhe Ihrer Rente richtet sich im Wesentlichen nach Ihren durch Beiträge versicherten Arbeitsverdiensten. Diese rechnen wir in **Entgeltpunkte** um. Ihrem Rentenkonto schreiben wir einen Entgeltpunkt gut, wenn Sie ein Jahr lang genau den Durchschnittsverdienst aller Versicherten (zurzeit 37.873 EUR) erzielt haben. Daneben können Ihnen aber auch Entgeltpunkte für bestimmte Zeiten gutgeschrieben werden, in denen keine Beiträge (z.B. für Fachschulausbildung) oder Beiträge vom Staat, von der Agentur für Arbeit, von der Krankenkasse oder anderen Stellen (z.B. für Wehrdienst oder Freiwilligendienst, Kindererziehung, Arbeitslosigkeit und Krankheit) für Sie gezahlt wurden. Um die Höhe der Rente zu ermitteln, werden alle Entgeltpunkte zusammengezählt und mit dem so genannten aktuellen Rentenwert vervielfältigt. Der aktuelle Rentenwert beträgt zurzeit 31,03 EUR in den alten und 29,69 EUR in den neuen Bundesländern. Das heißt, ein Entgeltpunkt entspricht heute beispielsweise in den alten Bundesländern einer monatlichen Rente von 31,03 EUR. Beginnt die Altersrente vor oder nach dem 01.07.2038, kann dies zu Abschlägen bzw. Zuschlägen bei der Rente führen.

Explication : comment les pensions sont calculées

Rentenbeiträge und Entgeltpunkte

Bisher haben wir für Ihr Rentenkonto folgende Beiträge erhalten:
 Von Ihnen
 Von Ihrem/n Arbeitgeber/n
 Von öffentlichen Kassen (z.B. Krankenkasse, Agentur für Arbeit)
 Aus den erhaltenen Beiträgen und Ihren sonstigen
 Versicherungszeiten haben Sie bisher insgesamt Entgeltpunkte in folgender Höhe erworben:

109.754,43 EUR
111.340,25 EUR
2.342,46 EUR
38.9200

Votre pension est diminuée si vous partez avant l'AOD

Cotisations cumulées (salarié, employeur, maladie et chômage)

Nombre de points déjà acquis

Rente wegen voller Erwerbsminderung

Bei einer Rente wegen Erwerbsminderung schreiben wir Ihnen, sofern Sie das 62. Lebensjahr und 3 Monate noch nicht vollendet haben, zusätzliche Entgeltpunkte gut, ohne dass hierfür Beiträge gezahlt worden sind. Eine Erwerbsminderungsrente wird auf Antrag grundsätzlich nur gezahlt, wenn in den letzten fünf Jahren vor Eintritt der Erwerbsminderung mindestens drei Jahre Pflichtbeitragszeiten vorliegen.

Höhe Ihrer künftigen Regelaltersrente

Zur Berechnung Ihrer künftigen Rente ermitteln wir die durchschnittlichen Entgeltpunkte für die letzten fünf Kalenderjahre. Dabei können wir für das jeweils letzte Kalenderjahr vor der Renteninformation nur einen vorläufigen Durchschnittsverdienst aller Versicherten verwenden. Der endgültige Durchschnittsverdienst weicht regelmäßig von dem vorläufigen Wert ab. Daher kann sich die ermittelte Rente im Vergleich zu Ihrer vorherigen Renteninformation auch bei gleichbleibender Beitragszahlung erhöht oder vermindert haben.

Renten Anpassung, Kaufkraft und Inflation

Die Dynamisierung (Erhöhung) der Rente erfolgt durch die Renten Anpassung. Sie richtet sich grundsätzlich nach der Lohnentwicklung, die für die Renten Anpassung - insbesondere aufgrund der demografischen Entwicklung - nur vermindert berücksichtigt wird. Die Höhe der zukünftigen Renten Anpassungen kann nicht verlässlich vorhergesehen werden. Wir haben Ihre Rente daher unter Berücksichtigung der Annahmen der Bundesregierung zur Lohnentwicklung dynamisiert. Die ermittelten Beträge sind - wie alle weiteren späteren Einkünfte (z. B. aus einer Lebensversicherung) - wegen des Anstiegs der Lebenshaltungskosten und der damit verbundenen Geldentwertung (Inflation) in ihrer Kaufkraft aber nicht mit einem heutigen Einkommen in dieser Höhe vergleichbar (Kaufkraftverlust). So werden bei einer Inflationsrate von beispielsweise 1,5 Prozent pro Jahr bei Beginn Ihrer Regelaltersrente 100 EUR voraussichtlich nur noch eine Kaufkraft nach heutigen Werten von etwa 74 EUR besitzen.

Les niveaux de pension sont dynamiques et peuvent être ajustés

Illustration de la perte de pouvoir d'achat due à une inflation de 1,5 % par an

Unser Service

Haben Sie Fragen, benötigen Sie einen Versicherungsverlauf oder unseren Rat? Rufen Sie uns einfach an. Sie erreichen uns unter der kostenfreien Nummer unseres Servicetelefon 0800 100048070 von Montag bis Donnerstag von 7:30 bis 19:30 Uhr und am Freitag von 7:30 Uhr bis 15:30 Uhr. Sie können sich auch in unseren Auskunfts- und Beratungsstellen oder im Internet informieren. Auch Fragen zur staatlich geförderten zusätzlichen Altersvorsorge oder zur Grundsicherung im Alter und bei Erwerbsminderung beantworten wir gern.

Canada (Régime de pension du Canada / Régime de rentes du Québec)



Government of Canada / Gouvernement du Canada

Your Canada Pension Plan Statement of Contributions

Client Name

Date of Birth

Date of Statement

Year	Your total contributions (\$)	Your pensionable earnings (\$)	Year	Your total contributions (\$)	Your pensionable earnings (\$)

B - Below Basic Exemption CQ - CPP/QPP CS - Credit Split M - Maximum P - Post-Retirement
 Q - Quebec Pension Plan S - Self-Employed

The maximum retirement pension at age 65 this year is \$ _____ per month.

Estimated monthly benefits:

Retirement pension

- If your pension were to begin next month, you could receive a retirement pension of ----- \$
- If you were 65 today, based on your average pensionable earnings since age 18 or January 1, 1966, you could receive a retirement pension of ----- \$
- If you apply at the age of 60, you could receive a retirement pension of ----- \$
- If you apply at the age of 70, you could receive a retirement pension of ----- \$

\$ PER MONTH

Disability benefits

- If you have a severe and prolonged disability that prevents you from working, as defined by the CPP, you could be eligible to receive a disability benefit of ----- \$
- Each of your dependent children, as defined by CPP, could receive a disabled contributor child benefit of ----- \$

In the event of your death

- Your survivor age 65 or older could receive a survivor pension of ----- \$
- Your survivor age 45 to 65, or if under 45 and disabled, or if under 45 with dependent children, could receive a survivor pension of ----- \$
- For a survivor aged 35 to 45 (who is not disabled or does not have dependent children), the monthly pension would be reduced for each month the survivor is under 45 at the time of the contributor's death by ----- \$
- Each of your dependent children, as defined by CPP, could receive a deceased contributor child benefit of ----- \$
- Your estate could receive a one-time death benefit payment of ----- \$



MAKE SURE YOUR STATEMENT OF CONTRIBUTIONS IS ACCURATE

If your information on the front of this Statement is incorrect or missing, the amount of your benefits could be affected.

The benefit estimates in the lower section of your *Statement of Contributions* are **estimates only**. They do not take into account future earnings and contributions. In addition, they do not take into account all provisions of the Canada Pension Plan (CPP) that may affect the amount of your future benefits.

To correct your date of birth

If you are not receiving a CPP or Old Age Security (OAS) benefit or pension, the date of birth on your Statement is the date of birth registered on your Social Insurance Number (SIN) record. If this date is incorrect, call the Social Insurance Registration office toll-free number at 1-800-206-7218 (select option 3) to determine how to correct it. If you are calling from outside of Canada, the number is 506-548-7961 (long distance charges apply). For more information on the Social Insurance Number program, visit servicecanada.gc.ca.

If you are receiving a CPP or OAS benefit or pension, the date of birth on your Statement is the date of birth recorded at the time of your benefit or pension application. If this date is incorrect, contact us toll-free at 1-800-277-9914, if you use a TTY machine call 1-800-255-4786. If you are calling from outside of Canada or the United States, call 613-990-2244.

If the person named on this statement is deceased

Send a copy of the death certificate or funeral director's statement of death and the Social Insurance Number card to the Social Insurance Registration office at the address below. If you do not have the card, write the deceased individual's SIN on the copy of the proof of death document. The SIN can continue to be used for estate purposes.

**Social Insurance Registration
PO Box 7000
BATHURST NB E2A 4T1**

For more information on the Social Insurance Number program, visit servicecanada.gc.ca, or call the Social Insurance Registration office toll-free at 1-800-206-7218 (select option 3).

To correct your contributions and pensionable earnings

If you were employed and your contributions are not included or are incorrect on your Statement, please write to the address below. Please include a copy of your T4 slip(s), or any other information you can provide indicating your employer, earnings and/or your contributions to the Canada Pension Plan for the year(s) in question.

If you were self-employed, please send any information you can provide such as, a copy of your T1 Income Tax Return and/or your Notice of Assessment for the year(s) in question to the address below :

**Contributor Client Services
Canada Pension Plan
PO Box 9750 Station T
OTTAWA ON K1G 3Z4**

**For more information about the Canada Pension Plan
visit
servicecanada.gc.ca
or call toll-free: 1-800-277-9914
If you use a TTY machine, call 1-800-255-4786**



Your payment would be about
\$1,915 a month
at full retirement age

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

January 2, 2019

Your Social Security Statement

Are you thinking about retirement? Are you ready for retirement?

We have tools that can help you!

- Estimate your future retirement benefits at [socialsecurity.gov/estimator](https://www.socialsecurity.gov/estimator)
- Apply for retirement, spouse's, Medicare, or disability benefits at [socialsecurity.gov/applyforbenefits](https://www.socialsecurity.gov/applyforbenefits)
- And once you receive benefits, manage your benefits at [myaccount.socialsecurity.gov](https://www.myaccount.socialsecurity.gov)

Your *Social Security Statement* tells you about **how much you or your family would receive** in disability, survivor, or retirement benefits. It also includes our record of your lifetime earnings. Check out your earnings history, and **let us know right away if you find an error**. This is important because we base your benefits on our record of your lifetime earnings.

Social Security benefits are **not intended to be your only source of income when you retire**. On average, Social Security will replace about

To view your *Social Security Statement* online anytime create a **my Social Security** account today!



my Social Security
[myaccount.socialsecurity.gov](https://www.myaccount.socialsecurity.gov)

40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to live comfortably when you retire.

To see your *Statement* online anytime, create a **my Social Security** account at [myaccount.socialsecurity.gov](https://www.myaccount.socialsecurity.gov).

Social Security Administration

Follow the Social Security Administration at these social media sites.



Your Estimated Benefits

*Retirement	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until... your full retirement age (67 years), your payment would be about.....\$ 1,915 a month age 70, your payment would be about\$ 2,405 a month age 62, your payment would be about\$ 1,344 a month
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about.....\$ 1,889 a month
*Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.
*Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits: Your child.....\$ 1,416 a month Your spouse who is caring for your child.....\$ 1,416 a month Your spouse, if benefits start at full retirement age.....\$ 1,889 a month Total family benefits cannot be more than\$ 3,443 a month Your spouse or minor child may be eligible for a special one-time death benefit of \$255.
Medicare	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.
	* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits.
	We based your benefit estimates on these facts:
	Your date of birth (please verify your name on page 1 and this date of birth)..... April 5, 1959
	Your estimated taxable earnings per year after 2019 \$48,642
	Your Social Security number (only the last four digits are shown to help prevent identity theft)..... XXXX-XX-1234

How Your Benefits Are Estimated

To qualify for benefits, you earn “credits” through your work — up to four each year. This year, for example, you earn one credit for each \$1,360 of wages or self-employment income. When you’ve earned \$5,440, you’ve earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven’t earned enough yet to qualify for any type of benefit, we can’t give you a benefit estimate now. If you continue to work, we’ll give you an estimate when you do qualify.

What we assumed — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2019 and later (up to retirement age), we assumed you’ll continue to work and make about the same as you did in 2017 or 2018. We also included credits we assumed you earned last year and this year.

Generally, the older you are and the closer you are to retirement, the more accurate the retirement estimates will be because they are based on a longer work history with fewer uncertainties such as earnings fluctuations and future law changes. We encourage you to use our online Retirement Estimator at www.socialsecurity.gov/estimator to obtain immediate and personalized benefit estimates.

We can’t provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates stated above because:**

- (1) Your earnings may increase or decrease in the future.
- (2) After you start receiving benefits, they will be adjusted for cost-of-living increases.

- (3) Your estimated benefits are based on current law. **The law governing benefit amounts may change.**
- (4) Your benefit amount may be affected by **military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.** Visit www.socialsecurity.gov to learn more.

Windfall Elimination Provision (WEP) — In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at www.socialsecurity.gov/WEP.

Government Pension Offset (GPO) — If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify, now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse’s record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at www.socialsecurity.gov/GPO.

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings	Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1975	224	224	2000	34,155	34,155
1976	584	584	2001	35,276	35,276
1977	1,096	1,096	2002	35,883	35,883
1978	1,989	1,989	2003	37,011	37,011
1979	2,897	2,897	2004	38,911	38,911
1980	3,800	3,800	2005	40,502	40,502
1981	5,048	5,048	2006	42,495	42,495
1982	6,650	6,650	2007	44,523	44,523
1983	8,265	8,265	2008	45,575	45,575
1984	9,858	9,858	2009	44,845	44,845
1985	11,287	11,287	2010	45,761	45,761
1986	12,570	12,570	2011	46,947	46,947
1987	14,277	14,277	2012	48,040	48,040
1988	15,810	15,810	2013	48,126	48,126
1989	17,188	17,188	2014	49,069	49,069
1990	18,653	18,653	2015	49,465	49,465
1991	19,954	19,954	2016	48,586	48,586
1992	21,558	21,558	2017	48,642	48,642
1993	22,261	22,261	2018	Not yet recorded	
1994	23,334	23,334			
1995	24,696	24,696			
1996	26,302	26,302			
1997	28,185	28,185			
1998	30,018	30,018			
1999	32,040	32,040			

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:

You paid:

Your employers paid:

\$68,327

\$70,256

Estimated taxes paid for Medicare:

You paid:

Your employers paid:

\$16,462

\$16,462

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to \$132,900 of your earnings and a 1.45* percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employee and employer amount, which is a 12.4 percent Social Security tax on up to \$132,900 of your net earnings and a 2.9* percent Medicare tax on your entire net earnings.

*If you have earned income of more than \$200,000 (\$250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

Review this chart carefully using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct.

Some or all of your earnings from **last year** may not be shown on your *Statement*. It could be that we still were

processing last year's earnings reports when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.

There's a limit on the amount of earnings on which you pay Social Security taxes each year. The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, all of your earnings are taxed for Medicare.)

Call us right away at 1-800-772-1213 (7 a.m.–7 p.m. your local time) if any earnings for years **before last year** are shown incorrectly. Please have your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

Some Facts About Social Security

About Social Security and Medicare...

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more. Medicare does not pay for long-term care, so you may want to consider options for private insurance. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit www.medicare.gov or call 1-800-633-4227 (TTY 1-877-486-2048 if you are deaf or hard of hearing).

Retirement — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 and later.

Some people retire before their full retirement age. You can retire as early as 62 and take benefits at a reduced rate. If you work after your full retirement age, you can receive higher benefits because of additional earnings and credits for delayed retirement.

Disability — If you become disabled before full retirement age, you can receive disability benefits after six months if you have:

- enough credits from earnings (depending on your age, you must have earned six to 20 of your credits in the three to 10 years before you became disabled); and
- a physical or mental impairment that's expected to prevent you from doing "substantial" work for a year or more or result in death.

If you are filing for disability benefits, please let us know if you are on active military duty or are a recently discharged veteran, so that we can handle your claim more quickly.

Family — If you're eligible for disability or retirement benefits, your current or divorced spouse, minor children or adult children disabled before age 22 also may receive benefits. Each may qualify for up to about 50 percent of your benefit amount.

Survivors — When you die, certain members of your family may be eligible for benefits:

- your spouse age 60 or older (50 or older if disabled, or any age if caring for your children younger than age 16); and
- your children if unmarried and younger than age 18, still in school and younger than 19 years old, or adult children disabled before age 22.

If you are divorced, your ex-spouse could be eligible for a widow's or widower's benefit on your record when you die.

Extra Help with Medicare — If you know someone who is on Medicare and has limited resources and income, Extra Help is available for prescription drug costs. The Extra Help can help pay the monthly premiums, annual deductibles and prescription co-payments. To learn more or to apply, visit www.socialsecurity.gov or call 1-800-772-1213 (TTY 1-800-325-0778).

Receive benefits and still work...

You can work and still get retirement or survivors benefits. If you're younger than your full retirement age, there are limits on how much you can earn without affecting your benefit amount. When you apply for benefits, we'll tell you what the limits are and whether work would affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

Before you decide to retire...

Carefully consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your monthly benefits will be reduced.

To help you decide the best time to retire, we offer a free publication, *When To Start Receiving Retirement Benefits* (Publication No. 05-10147), that identifies the many factors you should consider before applying. Most people can receive an estimate of their benefit based on their actual Social Security earnings record by going to www.socialsecurity.gov/estimator. You also can calculate future retirement benefits by using the Social Security Benefit Calculators at www.socialsecurity.gov.

Other helpful free publications include:

- *Retirement Benefits* (No. 05-10035)
- *Understanding The Benefits* (No. 05-10024)
- *Your Retirement Benefit: How It Is Figured* (No. 05-10070)
- *Windfall Elimination Provision* (No. 05-10045)
- *Government Pension Offset* (No. 05-10007)
- *Identity Theft And Your Social Security Number* (No. 05-10064)

We also have other leaflets and fact sheets with information about specific topics such as military service, self-employment or foreign employment. You can request Social Security publications at our website, www.socialsecurity.gov, or by calling us at 1-800-772-1213. Our website has a list of frequently asked questions that may answer questions you have. We have easy-to-use online applications for benefits that can save you a telephone call or a trip to a field office.

You also may qualify for government benefits outside of Social Security. For more information on these benefits, visit www.benefits.gov.

If you need more information — Visit www.socialsecurity.gov on the Internet, contact any Social Security office, call 1-800-772-1213 or write to Social Security Administration, Office of Earnings Operations, P.O. Box 33026, Baltimore, MD 21290-3026. If you're deaf or hard of hearing, call TTY 1-800-325-0778. If you have questions about your personal information, you must provide your complete Social Security number. If your address is incorrect on this *Statement*, ask the IRS to send you a Form 8822. We don't keep your address if you're not receiving Social Security benefits.



Thinking of retiring?

www.socialsecurity.gov

Some things to consider

Retirement can have more than one meaning these days. It can mean that you have applied for Social Security retirement benefits or that you are no longer working. Or it can mean that you have chosen to receive Social Security while still working, either full or part-time. All of these choices are available to you. Your retirement decisions can have very real effects on your ability to maintain a comfortable retirement.

If you retire early, you may not have enough income to enjoy the years ahead of you. Likewise, if you retire late, you'll have a larger income, but fewer years to enjoy it. Everyone needs to try to find the right balance, based on his or her own circumstances.

We hope the following information will help you as you plan for your future retirement and consider your retirement options.

Avoid a Medicare Penalty Sign Up at Age 65

Even if you don't plan to receive monthly benefits, be sure to sign up for Medicare *three months before* turning age 65. If you don't sign up for Medicare Part B (medical insurance) when you're first eligible, your coverage may not start right away and you may have to pay a late enrollment penalty for as long as you have it. You can apply online. Visit www.socialsecurity.gov/medicareonly for information and to apply.

What is the best option for you?

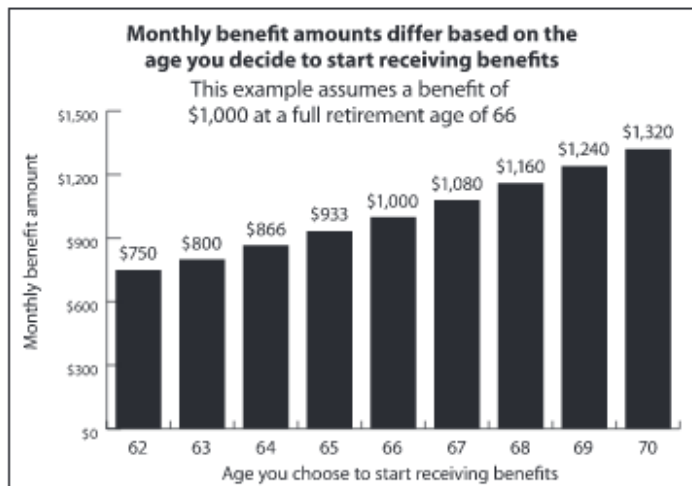
Everyone's situation is different. That is why Social Security has created several retirement planners to help you decide what would be best for you and your family. Social Security has an online calculator that can provide immediate and accurate retirement benefit estimates to help you plan for your retirement.

The online Retirement Estimator is a convenient, secure, and quick financial planning tool. It uses your own earnings record information, thereby eliminating any need to manually key in years of earnings information. The estimator also will let you create "what if" scenarios. You can, for example, change your "stop work" date or expected future earnings to create and compare different retirement options. To use the Retirement Estimator, go to our website at www.socialsecurity.gov/estimator.

There is one more thing you should remember as you crunch the numbers for your retirement. You may need your income to be sufficient for a long time, because people are living longer than ever before, and generally, women tend to live longer than men. For example:

- The typical 65-year-old today will live to age 83;
- One in four 65-year-olds will live to age 90; and
- One in ten 65-year-olds will live to age 95.

Once you decide on the best age for you to actually retire, remember to complete your application *three months before* the month in which you want retirement benefits to begin.



It's so easy to apply online for benefits

The easiest way to apply for Social Security retirement benefits is to go online at www.socialsecurity.gov/applyforbenefits. If you do not have access to the Internet, you can call 1-800-772-1213 (TTY number, 1-800-325-0778) between 7 a.m. and 7 p.m., Monday through Friday, to apply by phone. You also can apply at any Social Security office. To avoid having to wait, call first to make an appointment.

Receiving benefits while you work

When you reach your full retirement age, you can work and earn as much as you want and still receive your full Social Security benefit payment. If you are younger than full retirement age and if your earnings exceed certain dollar amounts, some of your benefit payments during the year will be withheld.

This does not mean you must try to limit your earnings. If we withhold some of your benefits because you continue to work, we will pay you a higher monthly benefit amount when you reach your full retirement age. In other words, if you would like to work and earn more than the exempt amount, you should know that it will not, on average, reduce the total value of lifetime benefits you receive from Social Security—and may actually increase them.

Here is how this works: after you reach full retirement age, we will recalculate your benefit amount to give you credit for any months in which you did not receive some benefit because of your earnings. In addition, as long as you continue to work, we will check your record every year to see whether the additional earnings will increase your monthly benefit.

Many people can continue to work and still receive retirement benefits. If you want more information on how earnings affect your retirement benefits, ask for *How Work Affects Your Benefits* (Publication No. 05-10069), which has current annual and monthly earnings limits, and is available on our website.

Retirement age considerations

Full retirement age

For persons born during the years 1943-1954, the full retirement age is 66. If you were not born in this period, you can find your full retirement age on page 2 of your *Social Security Statement*.

Retiring early

If you've earned 40 credits (credits are explained on page 2 of your *Statement*), you can start receiving Social Security benefits at 62 or at any month between 62 and full retirement age. However, your benefits will be reduced based on the number of months you receive benefits before you reach full retirement age.

If your full retirement age is 66, benefits will be reduced:

- 25 percent at age 62;
- 20 percent at age 63;
- 13½ percent at age 64; or
- 6½ percent at age 65.

Delaying retirement

You may decide to wait beyond your full retirement age before choosing to receive benefits. If

so, your benefit will be increased by a certain percentage for each month you don't receive benefits between your full retirement age and age 70. This table shows the rate your benefits increase if you delay retiring.

Year of birth	Yearly increase rate
1941 - 1942	7.5%
1943 or later	8.0%

Rules that may affect your survivor

If you are married and die before your spouse, he or she may be eligible for a benefit based on your work record. If you start benefits before your full retirement age, we cannot pay your surviving spouse a full benefit from your record. Also, if you wait until after your full retirement age to begin benefits, the surviving spouse benefits based on your record will be higher.

Need more information?

You can find answers to frequently asked questions about Social Security, learn about factors that could affect your benefits, and much more by visiting Social Security online at www.socialsecurity.gov.

If you do not have access to the Internet, you can get information about Social Security by calling 1-800-772-1213 (1-800-325-0778 for the deaf or hard of hearing) or by visiting a local Social Security office.

Other useful websites

www.mymoney.gov

This website contains calculators for financial planning and information on money-related matters, such as retirement planning and starting a small business.

www.dol.gov/agencies/ebsa/workers-and-families/preparing-for-retirement

Have you determined how much money you'll need in retirement? There are many tools available to help you, such as the Taking the Mystery Out of Retirement Planning Workbook available at this link.

www.sec.gov/investor/seniors.shtml

Are you looking for information about the investment options available to you as you enter retirement? The Securities and Exchange Commission has a wealth of information on different investment products and topics available at this website.

www.usa.gov/retirement

This website has a variety of retirement-related resources for seniors including information on Social Security, saving for retirement, and protecting one's private pension benefits.



Social Security Administration
SSA Publication No. 05-10054
January 2019 (Destroy prior editions)

Annual Statement 2014

Your National Public Pension

According to our forecast, this is how much you will receive as national public pension per month before tax. The amount may vary depending on when you decide to retire.

age 61	age 65	age 68 and 3 month	age 70
SEK 10 300	SEK 13 100	SEK 16 000	SEK 18 500

Do you have a pension from different sources?

In addition to the national public pension, most employees also have a pension from their employer. Some also have private pension savings.

National Public Pension

+

Occupational pension

+

Private pension

=

Your entire pension



Log in and see your entire pension

www.pensionsmyndigheten.se/B3

Use electronic identification or your personal code

27346

2014

You have earned this much towards your National Public Pension

Your Pension Credits

Changes during 2013 in SEK	Income pension	Premium pension	
Value 2012-12-31	854 596	106 942	
Pension credit for 2012	57 264	8 947	
From deceased contributors	603	560	
Administration and fund fees	- 277	- 985*	Totally earned to the national public pension
Change in value	-10 382	8 709**	
Value 2013-12-31	901 804	124 173	SEK 1 025 977

* Including SEK 716 discount on fund fee for 2012.

** Including SEK 135 as interest on your pension credit for 2012.

Your Premium Pension

Premium pension account 2013-12-31	Value, SEK	Change in value, per cent	Fund fee, per cent	Chosen allocation, per cent	Current allocation, per cent
Equity Fund Sverige	50 626	22	0,29	40	41
Equity Fund Global	31 156	22	0,51	25	25
Interest Fund Sverige	27 863	3	0,13	25	22
Generation Fund	14 528	13	0,20	10	12
Total	124 173	17	0,30	100	100
<i>The average pension saver</i>		21	0,31		

Mutual Fund Fee. Keep in mind that high fees mean worse performance for your savings.

Fund transfers. In order to increase safety, all fund transfers, from 20th February 2014, take place with electronic identification or Mobile BankID. You can also switch funds using a form that you order from the Swedish Pensions Agency and which will be sent to your registered address.

How much will you get per month?

Forecast for your National Public Pension

Retirement age	age 61	age 65	age 68 and 3 month	age 70
Amount SEK/month	10 300	13 100	16 000	18 500

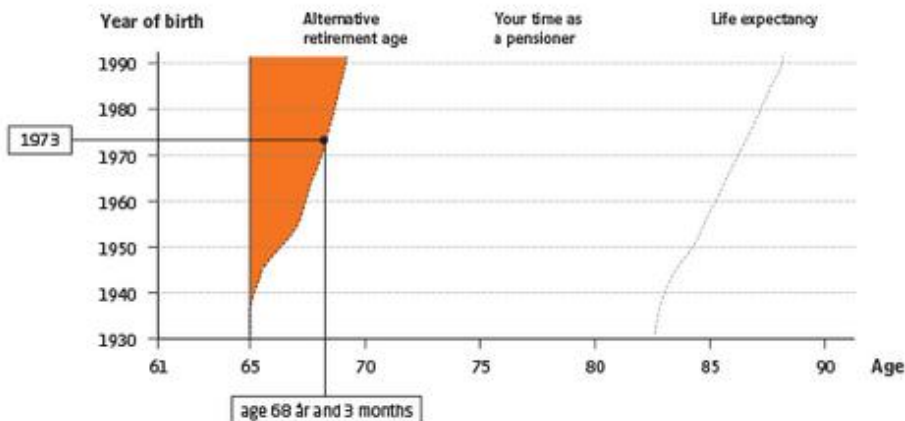
Your national public pension from age 65 (SEK 13 100 per month before tax) is estimated at SEK 9 800 in Income pension and SEK 3 300 in premium pension. The pension will be paid out for the rest of your life.

We calculated as follows. The forecast is based on the SEK 1 025 977 you have earned towards your national public pension so far and your annual income until you retire. We have assumed that you will have the same pensionable income per year as in 2012, that is SEK 303 300.

The forecast is calculated in today's value. This means that you can compare the amounts in the forecast with your current earnings. The forecast is developed in accordance with the pension industry forecast standard. Read more on www.pensionsmyndigheten.se/prognosstandard.

Why 68 years and 3 months? The life expectancy in Sweden is rising. You, who were born in 1973 need to work until the age of 68 years and 3 months to receive the same pension amount you would have received at age 65 if life expectancy had remained unchanged. Your pension is calculated as your account value divided by the average remaining life expectancy of your age class.

When is the best time for you to retire? At www.pensionsmyndigheten.se/B3, you can obtain forecasts that also include your occupational pension and possible private pension. The forecasts make it easier for you to plan and make the right decisions about your future. The forecasts are generated by Minpension.se, a collaboration between the Swedish Pensions Agency and the private pension companies.



Decision about your Pension Credits

The decision regarding your pension credits concerns 2012 since it is based on your latest established declared income.

Pension credit for income pension		Pension credit for premium pension		Your total pension credits 2012
SEK 57 264	+	SEK 8 947	=	SEK 66 211

Basis for calculation of your pension credits

Pensionable income: SEK 303 300

Pensionable amount:
child years SEK 54 600

This provides a pension basis of: SEK 357 900

To request a reconsideration of the decision

The regulations that are the basis for the decision are to be found in chapters 59–61 of the Social Insurance Code (2010:110). If you want the decision to be reconsidered, please write to the Pensionsmyndigheten, Box 304, 301 08 Halmstad. Indicate the decision that you want reconsidered, how you want it changed and why. Write also your name, Swedish personal ID number, address and telephone number. If you engage a legal representative you must enclose an original power of attorney. Swedish Pensions Agency must receive the letter at the latest on 31st December 2014 or, if you have not been informed before 1st November 2014, within two months from the day you receive notice of the decision.

Contact information

Swedish Pensions Agency, www.pensionsmyndigheten.se, customer service 0771-776776

④ You can also visit our service offices, see www.pensionsmyndigheten.se/servicekontor

Annexe 2 : **Les estimations de pensions de retraite du *Social Security Statement* (États-Unis)**

Aux États-Unis, le *Social Security Statement* (document sur lequel figurent notamment des estimations de retraite et de réversion) est l'un des vecteurs principaux de communication de l'administration auprès de ses usagers et leur permet notamment d'anticiper les conditions financières de leur départ à la retraite.

L'article ci-dessous revient sur l'un des objectifs affichés par l'agence de sécurité sociale américaine (*Social Security Agency – SSA*) à savoir l'amélioration de l'exactitude des estimations de pensions de retraite qui figurent dans le *Social Security Statement* afin de permettre une meilleure compréhension du système par ses usagers.

Dans la mesure où la totalité des revenus permettant le calcul de la pension ne peut être connue qu'au moment où l'assuré en demande la liquidation, la SSA projette donc la carrière future des assurés pour effectuer les estimations. Aujourd'hui, il est notamment considéré qu'un assuré ayant deux années consécutives sans revenu aura des revenus nuls dans le futur, quel que soit son âge.

Ayant constaté que cette méthode de projection conduisait à des écarts importants entre les carrières projetées et les carrières finalement réalisées pour les femmes, les plus jeunes et les assurés aux revenus d'activité les moins élevés⁵, le Bureau des Pensions de la SSA a entrepris de tester plusieurs méthodes alternatives de projections afin d'améliorer l'exactitude des estimations de montants de pensions. Il apparaît que seule la combinaison de plusieurs méthodes pourrait permettre d'améliorer significativement l'exactitude des estimations. Mais comme le soulignent les auteurs, il deviendrait alors très compliqué de communiquer clairement auprès des assurés.

Par ailleurs, à défaut d'améliorer les méthodes de projection de carrières, les auteurs recommandent d'améliorer les outils disponibles en ligne notamment en ouvrant l'accès aux travailleurs non assurés (ceci leur permettrait ainsi de voir les gains potentiels qu'ils auraient à devenir assurés).

⁵ L'analyse statistique a été menée sur les générations 1940-1946 pour les personnes ayant atteint l'âge de 62 ans et en considérant les quintiles de revenus à plusieurs bornes d'âge à partir desquelles les revenus étaient projetés à 0.



Analysis of Benefit Estimates Shown in the *Social Security Statement*

Abstract

The *Social Security Statement* is one of the Social Security Administration's (SSA's) most important ways to communicate with the public. Because a worker's complete lifetime earnings are unknown at the time his or her *Statement* is prepared, SSA estimates his or her future benefits by using the worker's historical earnings to project future earnings until retirement. Prior literature has examined the accuracy of benefit estimates shown in the *Statement*; however, there have not been efforts to test the accuracy of alternative methods of estimating retirement benefits. This paper documents a study by SSA's Office of Retirement and Disability Policy of the accuracy of the current *Statement* estimation method, the current method's assumption that 2 years of zero earnings predict no future earnings, and the accuracy of potential alternative methods of projecting earnings and benefits. Using administrative data from the Continuous Work History Sample (CWHHS), the paper finds that the *Statement's* current estimation method performs as well as or better than any of the other methods tested. The paper concludes with recommendations for the *Social Security Statement*.

Introduction

The *Social Security Statement* is one of the Social Security Administration's (SSA's) most important ways to communicate with the public. The *Statement* provides millions of American workers with their earnings record; their estimated retirement and disability benefits; their dependents' estimated survivor benefits; and general program information. The *Statement* has three main

purposes: to inform workers about their Social Security benefits, to help workers plan for their financial future, and to ensure that workers' earnings records are accurate. The agency mails about 15 million paper *Statements* annually to individuals aged 60 or older who are not receiving benefits and do not have an online *my Social Security* account. The *Statement* is available online to individuals aged 18 or older who set up a *my Social Security* account.¹ As of June 2020, more than 50 million individuals have established online accounts.

Since the agency began mailing the *Statement* in 1995, it has undergone a number of minor changes in appearance and content (Smith and Couch 2014). While the *Statement* has changed slightly to reflect updated information, SSA also has received a number of suggestions on how to improve the *Statement* from oversight entities including the Government Accountability Office (GAO) and the Social Security Advisory Board (SSAB). For example, GAO (2005) suggested showing the personalized benefit information first, using graphics to aid reader comprehension, and providing information to help recipients understand Social Security's contribution to their retirement income. SSAB (2009) suggested a number of enhancements to the *Statement*, including ways to improve the appearance (presenting more white space, more graphics, and less text), language (using less bureaucratic and more neutral language), and benefit estimates (improving the retired-worker benefit estimates particularly for younger workers, women, and lower-income workers). In particular, SSAB (2009) recommended that SSA "consider experimenting with and evaluating alternative assumptions and projection methods,

¹ See Appendix A for a facsimile *Social Security Statement*.

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including those used by the Office of the Chief Actuary in projecting future benefits for the Trustees Report.”

SSA’s Agency Strategic Plan for fiscal years 2018–2022 includes an objective to “modernize the *Social Security Statement* to increase the public’s understanding of our programs” (SSA 2018). Toward that objective, the agency’s Office of Retirement and Disability Policy (ORDP) responded to SSAB’s recommendation to experiment with and evaluate alternative assumptions and projection methods in hopes of improving the benefit estimates in the *Statement*. ORDP completed a number of analyses to assess the accuracy of the current *Statement* estimation method and to evaluate alternative assumptions and projection methods.

This Briefing Paper begins with a description of the current method the agency uses to estimate future benefits for the *Statement* and then briefly reviews previous studies that have assessed earnings projections and benefit estimates in the *Statement*. It then describes the data source used for the ORDP study, the Continuous Work History Sample (CWHS), and each of the three analyses ORDP conducted. These analyses comprise an examination of earnings among workers with 2 consecutive years of zero earnings, an evaluation of the accuracy of the current *Statement* estimation method, and an attempt to find an alternative projection methodology that would improve the accuracy of the retirement benefit estimate. These alternatives included looking back at more than the 2 most recent years for earnings, assuming no future earnings, using scaled-worker earnings profiles, using machine-learning computer modeling methods, and using complex regression models. The paper concludes with a summary of ORDP’s findings and possible next steps the agency could take to improve the public’s understanding of their future benefit estimates.

Current Statement Method of Estimating Benefits

The *Statement* provides personalized estimates of future retirement benefits for fully insured workers; that is, workers who have earned 40 credits in Social Security–covered work. Covered employment refers to jobs for which employers submit payroll-tax deductions to the Internal Revenue Service (IRS) and report annual wages to SSA to determine a worker’s eligibility for Social Security benefits and the amount of those benefits. Taxable wages are wage and salary earnings in covered employment equal to or less than an annually adjusted threshold amount called the taxable maximum.² In 2020, a worker earns one credit for each \$1,410 of wages or self-employment income in Social Security–covered work, up to a maximum of four credits each year.³

SSA estimates future benefits according to current Social Security program and benefit-calculation rules. Social Security benefits are based on a worker’s lifetime earnings in Social Security–covered employment. The benefit computation accounts for covered earnings up to each year’s maximum taxable amount. Annual earnings are indexed—based on the national average wage index (AWI)—to the year the worker reaches age 60, 2 years before the age of first eligibility, to ensure that benefits reflect the general rise in the standard of living that occurred during the worker’s career.⁴ The highest 35 years of wage-indexed earnings are averaged to compute the worker’s average indexed monthly earnings (AIME) and then the worker’s AIME is used to calculate the primary insurance amount (PIA).⁵ The PIA is the initial benefit amount before any adjustments for either early or delayed retirement, subsequent cost-of-living adjustments, or other offsets such as the retirement earnings test or Government Pension Offset.

Because a worker’s complete lifetime earnings are unknown until the worker applies for Social Security benefits, SSA estimates benefits for the *Statement* by

² The taxable maximum amount is adjusted annually by the percentage increase in the national average wage. For more information on the taxable maximum, see <https://www.ssa.gov/benefits/retirement/planner/maxtax.html>.

³ For more information on credits, see <https://www.ssa.gov/planners/credits.html>.

⁴ For more information on how SSA indexes earnings, see <https://www.ssa.gov/oact/cola/AWI.html>.

⁵ For more information on the PIA formula, see <https://www.ssa.gov/OACT/COLA/piaformula.html>, and for examples of the calculation of benefits, see <https://www.ssa.gov/OACT/ProgData/retirebenefit1.html>.

projecting the worker's future earnings until retirement.⁶ SSA uses the worker's past earnings (wage-indexed to the year 2 years prior to *Statement* receipt) to project future earnings by assuming that the worker continues to earn the same amount as in the year prior to the year of *Statement* receipt. If there were no earnings in the prior year, then SSA assumes that future earnings are the same as the earnings in the year 2 years prior to the year of *Statement* receipt. If there were no earnings in both of the 2 years prior to the year of *Statement* receipt, then SSA assumes no future earnings. For example, consider Jane, a worker with earnings in 2019 of \$50,000. For her 2020 *Statement*, SSA estimates her future benefits by assuming she earns \$50,000 in 2020, 2021, and all future years until retirement. If Jane had no earnings in 2019, then SSA assumes that her future earnings will be the same as her earnings in 2018 (2 years prior to her year of *Statement* receipt). If Jane had no earnings in both of the 2 years prior to *Statement* receipt, then SSA estimates her benefits assuming that she will have no future earnings. In other words, if Jane did not have any earnings in 2018 and 2019, then the benefit estimate in her 2020 *Statement* is based on the assumption that she earns \$0 in 2020, 2021, and all future years until retirement.

The *Statement* emphasizes that the actual benefit a worker will receive may differ from the estimated benefit because of a number of factors. In the *Statement's* own wording (see Appendix A),

The actual benefit amount...may differ from the estimates...because:

1. Your earnings may increase or decrease in the future.
2. After you start receiving benefits, they will be adjusted for cost-of-living increases.
3. Your estimated benefits are based on current law.
The law governing benefit amounts may change.
4. Your benefit amount may be affected by **military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.**

In addition, the *Statement* asserts that benefit estimates are more accurate for older workers who are closer to retirement. One of this paper's goals is to examine that assertion.

Literature Review

Previous studies have evaluated the accuracy of the method SSA currently uses to estimate retirement benefits for the *Social Security Statement*. Springstead, Weaver, and Fichtner (2008) used the Modeling Income in the Near Term (MINT) microsimulation model to assess the accuracy of the *Statement's* estimation methodology. The authors found that the accuracy of benefit estimates increased with the recipient's age, and that this finding generally held across birth cohorts. They found that median differences between the *Statement* benefit estimates and the PIA at retirement is highest among workers at younger ages, for women, and for lower earners. Finally, they noted that estimates were less accurate for persons with zero earnings in the 2 years prior to the *Statement*, who were projected to have no future earnings.

SSAB, in their 2009 report, conducted a formal empirical analysis of the *Statement's* retirement benefit projections with assistance from SSA's Office of the Chief Actuary and Office of Retirement Policy. Also using MINT, SSAB found that, on average, the benefit estimates improved as the worker approached retirement age. SSAB noted that the projections were less accurate for younger workers than for older workers, for women than for men, and for lower-wage workers than for higher-wage workers. SSAB found that the assumption of constant real earnings used in the *Statement* yields fairly accurate results for men and for older workers, but is less realistic for younger workers, who would expect to see real earnings grow over time. The report questioned the assumption that a worker with 2 consecutive years with no earnings would have no future earnings, noting it was particularly unrealistic for workers under age 50. SSAB found that projected benefits were less accurate for these workers than for any other group, and the benefits for which they would actually become eligible were the most underestimated.

While Springstead, Weaver, and Fichtner (2008) and SSAB (2009) focused on the accuracy of benefit estimates in the *Statement*, other studies have tried to understand

⁶ The *Statement* provides estimated retired-worker benefits for each of three possible benefit-claiming ages: the earliest eligibility age (62), full retirement age, or age 70 (when delayed retirement credits stop accruing). As such, when estimating retirement benefits for the *Statement*, SSA projects future earnings until each of these benefit-claiming ages.

how best to predict future earnings. These other studies might reveal alternative projection methods that SSA could adopt in place of the current method. For example, Kim, Tamborini, and Sakamoto (2018) used Survey of Income and Program Participation (SIPP) data linked to longitudinal tax records to determine which of several variables best predicted 20-year long-term earnings for a sample of workers aged 25 to 45 in 1990. The authors found that 1 year of cross-sectional earnings (measured in 1990) is more predictive of workers' subsequent 20-year cumulative earnings than their demographics, educational attainment, and occupation. The authors found this to be true for both men and women.

Guvenen and others (2019) used administrative data from SSA's Master Earnings File (MEF) covering 1978–2013 and survey data from the Panel Study of Income Dynamics (PSID) to analyze the distributions of earnings and changes in earnings over workers' entire working lives and then to estimate earnings processes. The authors found that the distribution of earnings growth is not symmetric, with most individuals experiencing very small changes, while changes for a small, but nonnegligible, number are extremely large. In addition, they found that increases in earnings for higher-earning individuals are temporary, whereas declines are persistent, with the opposite being true for low earners. In terms of predicting earnings, the authors importantly noted that "the variation in earnings dynamics over the life cycle and by recent earnings are so large that it is an open question whether existing models can be quantitatively consistent."

The analysis that follows builds upon the previous literature in both assessing the accuracy of SSA's current method of producing benefit estimates for the *Statement* and in testing various alternative projection methods to estimate future earnings and benefits. The findings of this analysis align closely with the results of previous research in these areas.

Data

For this project, we used wage and salary data from the 2015 CWHS file. The CWHS is an analytical master file created from 1 percent samples of the Master Beneficiary Record (MBR) and the Master Earnings File (MEF), both of which SSA uses to administer the Old-Age, Survivors, and Disability Insurance (OASDI) programs. To maintain the CWHS's 1 percent sample size, each year SSA adds the earnings records associated with a random selection of newly issued Social Security numbers. The records of deceased workers remain in the CWHS, allowing researchers to study the annual wages of entire birth cohorts over time. When needed, SSA updates the CWHS earnings records for adjustments and corrections to the MEF.

The CWHS includes data on Social Security taxable wages in covered employment since 1951.⁷ Since 1978, the CWHS has included records on annual wages in noncovered employment and earnings exceeding the annual maximum taxable amount.⁸ For this analysis, only covered earnings were of interest.

Analysis

Profile of workers with 2 consecutive years of no earnings

We started by examining the assumption that a person who does not work in the 2 years prior to the year of the *Statement* will have no future earnings. We used CWHS earnings records of workers born in 1933–1953 who had a year of earnings followed by at least 2 consecutive years of no earnings and who lived to at least age 62.⁹ We include all earners in this analysis, regardless of OASDI insured status.

First, we identified men and women who had earnings in any of the 5 years following 2 consecutive years with no earnings, by age (in 5-year intervals: ages 25–29, 30–34, 35–39, 40–44, 45–49, and 50–54) in which both

⁷ The CWHS comprises two component files called the active file and the inactive file. The active file contains the earnings records for workers with earnings from any employment (including self-employment), regardless of whether those earnings were covered under Social Security. The inactive file contains records only for workers who have never had covered earnings posted to the MEF. Prior to 1978, the CWHS tracked only covered earnings. For more information on the CWHS, see Smith (1989) and the Privacy Act Notice (<https://www.ssa.gov/privacy/sorn.html>).

⁸ In 2015, the taxable maximum was \$118,500.

⁹ For this analysis, we needed earnings through age 62, and as a result, we selected a 21-year birth cohort whose youngest members were aged 62 in 2015 (that is, born in 1953).

of the no-earnings years occurred.¹⁰ For these individuals, we calculated:

- the percentages who had any earnings during the next 5 years,
- the number of years in which they had earnings during the next 5 years,
- the 5-year median annual earnings of those who had any earnings during the next 5 years, and
- annual earnings at the 10th, 25th, 50th, 75th, and 90th percentiles for those who had any earnings during the next 5 years.

Table 1 shows the percentages and median earnings.¹¹ We also computed mean earnings in the years immediately before 2 consecutive years of zero earnings (Table 2).

Next, we measured the career-average annual earnings through age 62 of men and women following 2 consecutive years with no earnings. For these individuals, we counted:

- the percentages who had any earnings through age 62,
- the number of years in which they had earnings through age 62,
- mean annual earnings of those who had any earnings through age 62, and
- annual earnings at the 10th, 25th, 50th, 75th, and 90th percentiles for those who had any earnings through age 62.

Table 3 shows the percentages and mean annual earnings.

The tables indicate that most workers who experience 2 consecutive years of zero earnings return to having earnings in later years. This is particularly true for younger workers and women in Table 3. Therefore, we concluded that the *Statement's* assumption that workers with 2 consecutive years of zero earnings do not subsequently resume work is not accurate for many workers. In addition, we hypothesized that more accurate benefit estimates are possible if we use earnings from more

¹⁰ For ease of computation, we omitted workers whose 2 zero-earnings years straddled two age groups.

¹¹ For brevity, this paper's tables present selected results of our analysis. In the text, we occasionally refer to analyses and findings not shown in the tables.

Table 1 — Percentage of workers with earnings in any of the 5 years following 2 consecutive zero-earnings years, and median annual earnings in those 5 years, by sex and age

Age in zero-earnings years ^a	Percent with earnings		Median annual earnings (2015 \$)	
	Men	Women	Men	Women
25–29	69	68	6,641	4,155
30–34	65	64	6,364	4,235
35–39	61	63	5,983	4,420
40–44	56	57	5,863	4,183
45–49	51	49	5,570	3,724
50–54	45	41	4,974	3,049

Source: 2015 CWHS (1933–1953 birth cohorts).

a. Sample includes only workers whose zero-earnings years took place within an age group.

Table 2 — Mean annual earnings in the years before 2 consecutive zero-earnings years, by sex and age (in 2015 dollars)

Age in zero-earnings years ^a	In the 2 years before zero-earnings years		In the year before zero-earnings years	
	Men	Women	Men	Women
25–29	12,760	10,725	10,568	8,232
30–34	15,694	9,809	13,035	7,710
35–39	17,416	9,248	14,928	7,549
40–44	18,252	9,318	15,538	7,720
45–49	18,485	10,074	15,361	8,084
50–54	20,291	11,794	16,505	9,092

Source: 2015 CWHS (1933–1953 birth cohorts).

a. Sample includes only workers whose zero-earnings years took place within an age group.

Table 3 — Percentage of workers with any earnings through age 62 after 2 consecutive zero-earnings years, and mean annual earnings in those years, by sex and age

Age in zero-earnings years ^a	Percent with earnings		Mean annual earnings (2015 \$)	
	Men	Women	Men	Women
25–29	82	90	22,586	15,016
30–34	78	90	17,319	14,676
35–39	78	87	15,448	12,613
40–44	74	78	14,038	10,286
45–49	69	65	13,147	8,481
50–54	55	49	11,529	7,147

Source: 2015 CWHS (1933–1953 birth cohorts).

a. Sample includes only workers whose zero-earnings years took place within an age group.

than 2 years in the past to project future earnings for those with 2 consecutive years of zero earnings.

Accuracy of current and alternative estimation methods

Next, we investigated the accuracy of SSA's current method of estimating future benefits and evaluated alternative projection methods. The accuracy of the different methods was measured by whether a benefit estimate was within a specific percentage (plus or minus) of the actual benefit. The actual benefit and the estimated benefits are expressed as the worker's PIA, the basic benefit before any adjustments. For each worker, the actual PIA was calculated using actual career earnings through age 61 and the PIA formula bend points in effect for the year the worker reached age 62.¹² We calculated the estimated benefits for the current *Statement* method, as well as each alternative method, using the worker's earnings history up to the year before he or she received the *Statement* (hereafter referred to as the "*Statement* age"), the given method of projecting future earnings, and the PIA formula bend points in effect in the year of *Statement* receipt.¹³

In order to make the benefit estimates calculated at different ages in different years comparable, the

actual-PIA computations were deflated by the AWI back to each *Statement* age.¹⁴ For example, the estimated benefit calculated at *Statement* age 30 would be based on wage indexing up to age 28, while the actual PIA would index earnings up to age 60 and then be deflated by the AWI back to age 28. Deflating the actual PIA puts that amount on par with the estimated benefit calculated at *Statement* age 30.

Accuracy of the current *Statement* method

The CWHS sample for this part of the project consisted of workers born 1940 to 1946 who lived to at least age 62.^{15,16} In 2015, members of this sample were aged 69–75, so their entire pre-retirement earnings history was known and any corrections to past earnings would have already been made. As a reminder, the current estimation method projects future earnings by assuming the most recent annual earnings level will continue in each future year until age 62. If earnings were zero in the most recent year, annual earnings from 2 years earlier are projected as future earnings.

Table 4 shows our findings on the accuracy of the current *Statement* estimation method compared to the actual PIA for workers receiving a *Statement* at ages 25, 30, 35, 40, 45, 50, and 55. Results are shown for five different thresholds of accuracy.

¹² Regardless of the age at which a worker claims his or her retired-worker benefit, Social Security's progressive benefit formula uses the bend points (earnings thresholds used in calculating the PIA) for the year the worker reaches age 62. (The formula also indexes the worker's past earnings using the AWI for the year the worker reached age 60.)

¹³ In other words, estimated benefits do not attempt to project what the PIA formula bend points will be when the worker reaches age 62. The estimates simply use the bend points for the current year (that is, the year of *Statement* receipt).

¹⁴ The same deflation was used in Springstead, Weaver, and Fichtner (2008).

¹⁵ We selected the 1940 to 1946 birth cohort for this analysis to be comparable to Springstead, Weaver, and Fichtner (2008).

¹⁶ We replicated this analysis using the MINT microsimulation model and produced the same general results. MINT did not offer any advantages over the CWHS because we limited the MINT population to the same 1940–1946 cohort and used only historical earnings data from the same source as those in the CWHS. In addition, we excluded disabled workers and MINT sample sizes are much smaller than the CWHS.

MINT projects future retirement income, marital trends, Social Security benefits, income, and poverty. It allows researchers and policy analysts to simulate future retirement conditions such as income and poverty, the characteristics of future Social Security beneficiaries, and the effects of proposed reforms to the Social Security program, as well as to estimate distributional results of these outcomes to help inform policymakers. MINT was built by linking SSA's administrative records on benefits and earnings to the SIPP (<https://www.census.gov/sipp>), a detailed Census Bureau survey of households. Other surveys with data incorporated in MINT include the Health and Retirement Study (HRS, <https://hrs.isr.umich.edu>), the Medical Expenditures Panel Survey (MEPS, <https://www.meps.ahrq.gov/mepsweb>), the PSID (<https://psidonline.isr.umich.edu>), and the Survey of Consumer Finances (SCF, <https://www.federalreserve.gov/econres/scfindex.htm>).

This project used MINT version 7 (MINT7), which projects outcomes for a base cohort of individuals born 1926 through 1979. It is calibrated to the projections from the economic, demographic, and programmatic assumptions in the 2012 report of the OASDI trustees (Board of Trustees 2012). For a brief description of MINT7, see Smith and Favreault (2014). SSA's Office of Research, Evaluation, and Statistics (ORES) website also describes MINT and presents a number of MINT projections of Social Security policy options and population profiles (<https://www.ssa.gov/policy/subjects/modeling-income-in-near-term.html>).

In general, and not surprisingly, we found that the current *Statement* method was less accurate for younger *Statement* recipients and that accuracy increased with recipient age. For example, just 14 percent of the benefit estimates were within 10 percent of the actual PIA for *Statement* recipients aged 25, compared with 86 percent for *Statement* recipients aged 55. This pattern held across all five accuracy thresholds.

Table 5 shows the percentage of projected benefits estimated using the current *Statement* method that were accurate to within 10 percent for various subgroups and at different *Statement* ages. We compared estimated benefits to the actual PIA for men, women, low earners, high earners, insured workers, and workers who were not fully insured (that is, with fewer than 40 credits at *Statement* receipt). Low earners and high earners were defined as those in the bottom and top AIME quintiles, respectively.

We found that the retirement-benefit estimates in the *Statement* are less accurate for younger workers, non-insured workers, women, and workers with lower lifetime earnings. For example, even among the oldest *Statement* recipients in Table 5, those aged 55, only 70 percent of low earners had benefit estimates that were within 10 percent of their actual benefit, compared with 100 percent of high earners.¹⁷

Table 6 reports the percentage distribution of benefit estimates that underestimate, overestimate, and accurately project the actual PIA to within 10 percent.

We found that most of the inaccurate benefit estimates for younger *Statement* recipients are underestimates, and as recipient age increases, the percentage of underestimates declines. Among *Statement* recipients aged 55, the percentages of overestimates and underestimates are both under 10 percent.¹⁸

¹⁷ The taxable maximum censors the effect of annual earnings variation on the AIME of high earners, thus improving the accuracy of the benefit estimates for high earners. This is not the case for low earners. In addition, the value of the taxable maximum has changed over time, censoring earnings more heavily in earlier years (Whitman and Shoffner 2011). This may contribute to the lower accuracy of benefit estimates for high earners at younger ages.

¹⁸ Using a 5 percent accuracy threshold (not shown), the percentages of underestimates and overestimates are higher at all ages than those shown in Table 6, but the general pattern is similar.

Table 4 — Benefit estimates using current *Statement* method: Percentages within various thresholds of difference from the actual PIA, by *Statement* age

<i>Statement</i> age	Percentage of projections accurate to within—				
	5%	10%	15%	20%	25%
25	7	14	20	27	32
30	14	25	34	41	46
35	23	38	45	50	55
40	31	45	54	61	65
45	40	57	66	73	77
50	55	71	79	84	87
55	74	86	90	92	93

Source: 2015 CWHS (1940–1946 birth cohorts).

Note: Includes workers in insured and non-insured status as of *Statement* age.

Table 5 — Benefit estimates using current *Statement* method: Percentages accurate to within 10 percent of the actual PIA, by sex, earnings level, insured status, and *Statement* age

<i>Statement</i> age	All	Sex		Earnings level		Insured status	
		Men	Women	Low	High	Insured	Not insured
25	14	16	11	11	14	20	13
30	25	33	17	25	40	35	15
35	38	51	25	35	81	47	23
40	45	55	35	44	82	51	32
45	57	66	48	52	88	61	43
50	71	79	64	61	94	75	56
55	86	91	81	70	100	90	68

Source: 2015 CWHS (1940–1946 birth cohorts).

Note: Includes workers in insured and non-insured status as of *Statement* age.

Table 6 — Benefit estimates using current *Statement* method: Percentage distribution of projections by whether below, within, or above the 10-percent accuracy threshold, by *Statement* age

<i>Statement</i> age	Benefit underestimated	Accurate estimate	Benefit overestimated
25	65	14	20
30	54	25	19
35	39	38	21
40	32	45	23
45	23	57	20
50	13	71	15
55	6	86	7

Source: 2015 CWHS (1940–1946 birth cohorts).

Note: Includes workers in insured and non-insured status as of *Statement* age.

Accuracy of alternative methods I: Alternative Earnings Assumptions

We used the same CWHS sample and actual-PIA computations to evaluate several alternatives to the *Statement's* method for projecting earnings.¹⁹ We discuss only the methods that were the most successful or provided noteworthy results. The alternative methods follow three general approaches.

The first approach adjusted the projected earnings of workers with 2 consecutive years of zero earnings prior to the year of *Statement* receipt. The current method projects no future earnings for such workers. We tested an alternative (called the Three Zero method) in which projected future annual earnings for these individuals are equal to their earnings in the year before the 2 zero-earning years. A variation (the Average Three method) assumed that future annual earnings would equal the average of the 3 years of earnings before *Statement* receipt, regardless of whether any or all of them were zeroes.

The second approach used the SSA Chief Actuary's scaled-worker earning profiles to project earnings.²⁰ The thinking here was that a straight-line assumption that the previous year's earnings will continue may not be an accurate representation of the arc of lifetime earnings, where the highest earning years typically occur in middle age and then taper off as retirement approaches. We tested several iterations combining a given year of earnings and a given scaled-worker earnings profile in the projection. The most accurate of those, the Raw Scaled method, used the scaled-worker earnings paths to estimate future earnings and is presented here.²¹

These earnings paths are based on all workers at a given age, whether they work at that age or not.

The third approach projected no future earnings and counted only accrued earnings. This method (Accrual) essentially assumes that the worker will never work again. It also highlights the accuracy gained or lost by using the last year of earnings as the projected earnings.

Table 7 shows that the current *Statement* method is at least as accurate as each of the alternative methods at the accuracy threshold of plus or minus 5 percent at almost every *Statement* age. For younger recipients, the Three Zero and Average Three methods come closest to the current method, which is expected because they are only slight variations. The Raw Scaled method is more inaccurate for younger workers, but slightly outperforms the current method for recipients aged 55. The Accrual method is the least accurate, which indicates that the contribution of future earnings to actual benefits is substantial. The one *Statement* age for which the current method is not the most accurate is 55. The Raw Scaled method is accurate for 76 percent of these recipients, compared with 74 percent under the current method.

Table 8 shows that the current method is more accurate than the alternatives even when the accuracy threshold is relaxed to plus or minus 10 percent. With this less stringent threshold, greater percentages of *Statement* recipients receive an accurate projection at each successively older age, reaching 86 percent under the current method at age 55. The current method is at least as accurate at *Statement* ages 25 through 50 as the other methods. The Three Zero method is almost as accurate, but never surpasses the current method's accuracy rate. Again, the

¹⁹ As with our assessment of the current *Statement* estimation method, we replicated the analysis in this section using MINT, and as before, we only present the CWHS results because the MINT results were generally similar.

²⁰ For a description of the profiles that were the basis for this approach, see Clingman and Burkhalter (2017). That study includes several scaled earnings patterns (very low, low, medium, and high) which were not used in this analysis.

²¹ Our Raw Scaled earnings path is the Preliminary Adjusted Scaled Factor in Clingman and Burkhalter (2017). Other scaled worker alternatives developed and evaluated in this project included projecting future earnings by:

- using the scaled-earner profiles which are based on earnings only of those who do work at each age (Scaled);
- looking back 2 years for positive earnings and then using those earnings as the basis for Scaled (Scaled Two Zero);
- looking back 2 years for those aged 50 or older and 3 years for those younger than age 50 for positive earnings and then using those earnings as the basis for Scaled (Scaled Three Zero); and
- if there are no positive earnings in the previous year, using the average of the 3 most recent years of positive earnings as the basis for Scaled (Scaled Average Three).

The results for these alternatives are included in Appendix Tables B-1 and B-2.

Table 7 — Comparison of alternative benefit estimation methods: Percentages accurate to within 5 percent of the actual PIA, by *Statement* age

<i>Statement</i> age	Current <i>Statement</i> method	Three Zero method	Average Three method	Raw Scaled method	Accrual method
25	7	7	6	4	3
30	14	14	11	7	6
35	23	23	17	10	9
40	31	31	22	16	13
45	40	40	28	25	18
50	55	55	39	50	25
55	74	74	55	76	47

Source: 2015 CWHS (1940–1946 birth cohorts).

Note: Includes workers in insured and non-insured status as of *Statement* age.

Table 8 — Comparison of alternative benefit estimation methods: Percentages accurate to within 10 percent of the actual PIA, by *Statement* age

<i>Statement</i> age	Current <i>Statement</i> method	Three Zero method	Average Three method	Raw Scaled method	Accrual method
25	14	13	12	7	4
30	25	24	21	9	8
35	38	37	31	14	11
40	45	44	35	23	16
45	57	56	44	44	21
50	71	71	56	69	36
55	86	86	70	87	68

Source: 2015 CWHS (1940–1946 birth cohorts).

Note: Includes workers in insured and non-insured status as of *Statement* age.

Raw Scaled method is accurate for a slightly larger proportion of the population than the current method for recipients aged 55, 87 percent versus 86 percent.

The results indicate that the last year of earnings may be the most accurate representation of future earnings. This is consistent with Kim, Tamborini, and Sakamoto (2018). The much lower accuracy of the Accrual and Raw Scaled alternative methods for younger *Statement* recipients indicates that assuming no future earnings, or assuming a career earnings trajectory observed in the

aggregate, do not adequately predict the future course of individual career earnings. As such, we concluded that these relatively simple alternative earnings projection methods do not significantly improve the results over the current *Statement* method.²²

Accuracy of alternative methods II: Complex Models

The final stage of the project was to explore whether more complex alternative projection methodologies could more accurately estimate the future benefit than the current method does. We tried two general approaches. The first was to employ various machine-learning methods, in which computer programs autonomously develop a model or models and continually revise them through repeated simulations and analyses.²³ The second was to conduct a series of regressions. Both approaches attempted to project earnings and benefits using the information available to SSA when estimating benefits in the *Statement*, such as age, sex, insured status, and current and past earnings. We anticipated that such methods, which incorporate additional information, would improve the accuracy of the current method and the alternative methods reviewed above, which rely on earnings records alone.

The machine-learning methods we tested against the current *Statement* method included decision trees, neural networks, polynomial regressions, and k-nearest neighbors (kNN). As before, the assessed metric was the accuracy of the estimated benefit against the actual PIA at different accuracy thresholds for different *Statement* ages. We used the CWHS 1936–1954 birth cohorts for this analysis.

We started by estimating the benefits for a test population of *Statement* recipients aged 40. Using each machine-learning method, we first predicted two separate target variables needed to compute the estimated benefit: (1) the number of future years with earnings (through age 61) that would be included in the highest 35 years of earnings, and (2) the average of those years' earnings. We

²² For these alternative earnings projection methods, at the accuracy threshold of 10 percent, we generally find that at the youngest *Statement* ages, the inaccurate benefit estimates are underestimates (not shown). The one exception is the Raw Scaled method, which overestimates benefits except at the oldest ages. For the Accrual method, all the inaccurate benefit estimates are underestimates. The pattern of inaccurate estimates for the Three Zero method is similar to the current *Statement* method; however, the Average Three method generates more overestimates than the current *Statement* method does. A similar pattern holds at the accuracy threshold of 5 percent.

²³ See Altman (1992) and Kotsiantis (2013) for descriptions of some of these methods.

predicted these target variables from a number of input variables derived from the earnings at all ages prior to *Statement* receipt. With the two predicted target values and actual earnings in years prior to *Statement* receipt, we calculated the benefit for each model for the entire test population, as well as by insured status and by sex.

We found that all machine-learning models generally underperformed the current method. However, each model marginally outperformed the current method at a few accuracy thresholds and for very small subsets of the population. No one model could be considered generally superior to all others, but for computational considerations, the kNN method was chosen for continued testing at the other *Statement* recipient ages. Table 9 summarizes the kNN model results for men and women at the plus or minus 10 percent accuracy threshold.

The only kNN model results that outperformed the current estimation method were for the youngest *Statement* recipients, aged 25. However, the accuracy of the kNN model, as with all models, increases with recipient age, as the number of future earnings years to predict decreases. Thus, the kNN model’s greater accuracy for *Statement* recipients aged 25 may have occurred by chance, as both models performed poorly for that age, with its greatest potential variability of results.

We evaluated the results for subsets of the population, including workers with differing numbers of earnings years, average lifetime earnings, and insured status. As was somewhat expected from earlier results, the machine-learning methods were most accurate for workers with consistently high earnings histories (that is, for workers with more years of earnings and higher lifetime earnings), whether or not they outperformed the current *Statement* method for those workers. We also found that the kNN model performed better for fully insured workers than for those not fully insured, regardless of *Statement* age.

In hindsight, it should not be surprising that the machine-learning methods performed no better than the current method. For a continuous target such as the future-earnings variables, machine-learning methods

Table 9 — Comparison of benefit estimates using current *Statement* method and one machine-learning model (k-nearest neighbor): Percentages accurate to within 10 percent of the actual PIA, by sex and *Statement* age

<i>Statement</i> age	Current <i>Statement</i> method		k-nearest neighbor
		All	
25	15		18
30	26		25
35	37		32
40	49		41
45	60		54
50	74		71
55	88		87
		Men	
25	17		24
30	33		34
35	47		43
40	59		54
45	68		66
50	81		81
55	92		92
		Women	
25	13		13
30	19		16
35	28		21
40	39		29
45	53		43
50	68		62
55	84		83

Source: 2015 CWHS (1936–1954 birth cohorts).

Note: Includes workers in insured and non-insured status as of *Statement* age.

are essentially sophisticated statistical functions that rely on regressions over the supplied training data to compute the expected value of the target. Such methods are not dramatically different from the current method, which assumes that future earnings (and by extension, the PIA) are linearly correlated with recent earnings.²⁴

In conclusion, we found that machine-learning methods do not appear to be promising replacements for the current method. Such methods are not straightforward to implement and require the specification of numerous parameters, each of which needs to be adjusted through trial and error to achieve better performance. With enough experimentation, it might be possible to find implementations that outperform the current

²⁴ This was confirmed by using the original data to calculate the r^2 for each input variable against the target of average future earnings in the highest 35 years of earnings. The input variable with the highest r^2 was found to be the most recent annual earnings, as is assumed in the current *Statement* method.

method overall, but such effort does not guarantee an improvement significant enough to justify its adoption for the *Statement*. As such, we concluded that none of the machine-learning models we tested performed at a level that would qualify them to replace the current method.

The second alternative projection methodologies we tested were static and dynamic individual-level and group-level regressions, which we used to estimate future earnings, the AIME, and the PIA (with and without predicted future earnings).²⁵ The dynamic models were no more accurate than the static models, so we focus here on the static-regression results. Some of the controls included the number of years worked since age 16 and in the last 5 years, total accumulated earnings since age 16 and in the last 5 years, annual average earnings since age 16 and in the last 5 years, age at labor market entry, wage level, age of first earnings, sex, and place of birth. We used the CWHS 1950–1954 birth cohorts for this analysis.

First, we estimated static individual-level regression models to project earnings profiles starting at different *Statement* ages, using earnings from when the individual started working until *Statement* receipt and age when the individual started working. Based on prior literature on projecting earnings, we tried linear, quadratic (t^2), and cubic (t^3) time trend variations of the model, where t is the time trend variable, to see which variation would better project earnings and estimate benefits. We found that at younger *Statement* receipt ages, the linear model overestimated the PIA and that the quadratic and cubic models respectively overestimated and underestimated the PIA (not shown).

Then we estimated static group-level regression models, similar to the individual-level models except with group-level age-earnings profiles aggregated by time-invariant characteristics such as sex and place of birth. As before, we tried linear, quadratic, and cubic time trend variations of the model. The results were similar to the individual-level regression models in that the linear model overestimated the PIA and the quadratic and cubic

²⁵ In the individual-level regressions, we estimated the parameters of the model by individuals. In the group-level regressions, we estimated the parameters of the model by groups of individuals, for example, by sex and race. The number of groups can be large. The static models do not change by time; the dynamic models do.

models respectively overestimated and underestimated the PIA for younger *Statement* recipients (not shown).

In addition, we estimated the PIA as a function of past earnings without first predicting future earnings. To do this, we divided the CWHS sample into two subsamples, using the 1950–1952 cohorts to train the models and then the 1953–1954 cohorts to test and predict the benefit. We found that for younger *Statement* recipients, these models tended to overestimate the PIA in the middle of the distribution (not shown).

Next, because none of the models consistently outperformed the accuracy of the current *Statement* method of estimating benefits, we split the sample based on observed work attachment and ran the same static individual-level, group-level, and direct-PIA regression models. We separately analyzed workers with high labor force attachment (defined as those who worked all 5 years prior to the *Statement* receipt and worked at least 80 percent of the years since their first nonzero earnings year) and with low labor force attachment (all others). Table 10 shows the results for a plus or minus 10 percent accuracy threshold.

Table 10 — Comparison of benefit estimates using current *Statement* method and three complex regression models: Percentages accurate to within 10 percent of the actual PIA, by level of labor-market attachment and *Statement* age

<i>Statement</i> age	Current <i>Statement</i> method	Individual linear model	Group linear model	PIA model
High labor market attachment				
25	8	13	12	21
30	15	21	21	29
35	28	29	28	39
40	47	40	40	47
45	71	55	54	57
50	87	71	71	67
55	96	91	91	74
Low labor market attachment				
25	10	7	13	10
30	18	13	19	11
35	27	20	27	14
40	39	28	35	19
45	54	37	46	26
50	70	49	57	34
55	86	67	76	45

Source: 2015 CWHS (1950–1954 birth cohorts).
Note: Includes workers in insured and non-insured status as of *Statement* age.

We found that for younger recipients, the PIA regression model is more accurate for workers with high labor force attachment and the group-level linear regression model is more accurate for workers with low labor force attachment. We concluded that none of these methods provided more accurate benefit estimates than the current method. However, these results suggest that different estimation methods for different subgroups of workers based on age and labor force attachment might improve the current estimates.

Conclusion

This paper addresses one of SSA's Strategic Plan objectives: to increase public understanding of the Social Security program by improving the accuracy of the retirement benefit estimates in the *Social Security Statement*. Based on the prior literature and our analysis that workers with 2 consecutive years of zero earnings often have future earnings, we attempted to find an alternative projection methodology that would improve the accuracy of the retirement benefit estimates in the *Statement*. We found that none of the methods we tested—looking back more than 2 years in the earnings record, assuming no future earnings, using scaled-worker earnings profiles, using machine-learning computer models, or using regression models—consistently outperformed the *Statement's* current estimation method.

The results suggest that a combination of methods might improve the benefit estimates for certain subgroups of workers. However, the extent of the possible improvement is insufficient in our judgment to recommend replacing the *Statement's* current benefit estimation methodology with one or more of these complex methods. One challenging aspect of such a change would be to convey to the public how future earnings are projected and how benefits are estimated under these methods.

Kim, Tamborini, and Sakamoto (2018) concluded that a worker's prior year's earnings, the basis of the current method of estimating future benefits, is as good or better as a predictor of future earnings than other methods that control for other characteristics. This may explain our finding that the current *Statement* estimation method performed at least as well as the alternative methods overall. Predicting future earnings is challenging, especially for younger workers, where the range of divergent possibilities is widest. Another complicating factor may be that the progressive benefit formula and its use of the average of the highest 35 years of indexed earnings means that not all earnings have the same effect on benefits. Depending on the earnings history, projected earnings may or may not be included in the benefit formula and may or may not have a noticeable effect on benefits.

This paper has shown that SSA's benefit estimates may not be accurate for many workers. We recommend enhancements to the benefit-estimating tools available online via the *my Social Security* portal, including permitting uninsured workers' access to the portal, and increased capability for existing interactive calculators.²⁶ Providing access to a benefit estimate for uninsured workers based on future covered work would allow workers with less than 40 credits to see the impact of continued covered work on becoming fully insured for benefits in the future. Expanding the flexibility of the interactive benefit calculators may improve the accuracy of the benefit estimates for workers whose knowledge of their current and future work situations may be better than SSA's assumptions and so may be best suited to enter accurate expected future earnings and claiming-age variables. Taking these steps in improving the presentation of benefit estimates in the *Statement* could address the Agency Strategic Plan objective and better inform the American public of their expected level of Social Security benefits and of the Social Security program in general.

²⁶ Other tools, not requiring a *my Social Security* account, are available at SSA's website; for example, <https://www.ssa.gov/OACT/anypia/>.



Your payment would be about
\$1,971 a month
at full retirement age

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

May 1, 2020

Your Social Security Statement

This *Social Security Statement* tells you about **how much you or your family would receive** in disability, survivor, or retirement benefits. It also includes our record of your lifetime earnings. Check out your earnings history, and **let us know right away if you find an error**. This is important because we base your benefits on our record of your lifetime earnings.

Social Security benefits are not **intended to be your only source of income when you retire**. On average, Social Security will replace about 40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to make sure you have enough money to live comfortably when you retire.

To view your *Statement* online anytime, create a **my Social Security account** at myaccount.socialsecurity.gov.

To view your *Social Security Statement* online anytime create a **my Social Security** account today!



my Social Security
myaccount.socialsecurity.gov

Social Security Administration

Follow the Social Security Administration at these social media sites.



Your Estimated Benefits

*Retirement	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until... your full retirement age (67 years), your payment would be about.....\$ 1,971 a month age 70, your payment would be about\$ 2,457 a month age 62, your payment would be about\$ 1,357 a month
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about.....\$ 1,778 a month
*Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.
*Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits: Your child.....\$ 1,372 a month Your spouse who is caring for your child.....\$ 1,372 a month Your spouse, if benefits start at full retirement age.....\$ 1,829 a month Total family benefits cannot be more than\$ 3,398 a month Your spouse or minor child may be eligible for a special one-time death benefit of \$255.
Medicare	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.
	* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2035, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits.
	We based your benefit estimates on these facts:
	Your date of birth (please verify your name on page 1 and this date of birth) April 5, 1980
	Your estimated taxable earnings per year after 2018 \$53,556
	Your Social Security number (only the last four digits are shown to help prevent identity theft)..... XXX-XX-1234

How Your Benefits Are Estimated

To qualify for benefits, you earn “credits” through your work — up to four each year. This year, for example, you earn one credit for each \$1,410 of wages or self-employment income. When you’ve earned \$5,640, you’ve earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven’t earned enough yet to qualify for any type of benefit, we can’t give you a benefit estimate now. If you continue to work, we’ll give you an estimate when you do qualify.

What we assumed — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2020 and later (up to retirement age), we assumed you’ll continue to work and make about the same as you did in 2018 or 2019. We also included credits we assumed you earned last year and this year.

Generally, the older you are and the closer you are to retirement, the more accurate the retirement estimates will be because they are based on a longer work history with fewer uncertainties such as earnings fluctuations and future law changes. We encourage you to use our online Retirement Estimator at www.socialsecurity.gov/estimator to obtain immediate and personalized benefit estimates.

We can’t provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates stated above because:**

- (1) Your earnings may increase or decrease in the future.
- (2) After you start receiving benefits, they will be adjusted for cost-of-living increases.

(3) Your estimated benefits are based on current law. **The law governing benefit amounts may change.**

(4) Your benefit amount may be affected by **military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.** Visit www.socialsecurity.gov to learn more.

Windfall Elimination Provision (WEP) — In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at www.socialsecurity.gov/WEP.

Government Pension Offset (GPO) — If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify, now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse’s record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at www.socialsecurity.gov/GPO.

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1996	635	635
1997	1,659	1,659
1998	3,129	3,129
1999	5,615	5,615
2000	7,974	7,974
2001	9,859	9,859
2002	12,063	12,063
2003	15,481	15,481
2004	19,204	19,204
2005	22,428	22,428
2006	25,784	25,784
2007	29,176	29,176
2008	31,889	31,889
2009	33,156	33,156
2010	35,525	35,525
2011	38,031	38,031
2012	40,476	40,476
2013	42,098	42,098
2014	44,646	44,646
2015	47,163	47,163
2016	48,537	48,537
2017	51,019	51,019
2018	53,556	53,556
2019	Not yet recorded	

You and your family may be eligible for valuable benefits:

When you die, your family may be eligible to receive survivors benefits.

Social Security may help you if you become disabled—even at a young age.

A young person who has worked and paid Social Security taxes in as few as two years can be eligible for disability benefits.

Social Security credits you earn move with you from job to job throughout your career.

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:

You paid: \$36,814
Your employers paid: \$38,384

Estimated taxes paid for Medicare:

You paid: \$8,977
Your employers paid: \$8,977

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to \$137,700 of your earnings and a 1.45* percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employee and employer amount, which is a 12.4 percent Social Security tax on up to \$137,700 of your net earnings and a 2.9* percent Medicare tax on your entire net earnings.

*If you have earned income of more than \$200,000 (\$250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

Review this chart carefully using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct.

Some or all of your earnings from **last year** may not be shown on your *Statement*. It could be that we still were

processing last year's earnings reports when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.

There's a limit on the amount of earnings on which you pay Social Security taxes each year. The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, **all** of your earnings are taxed for Medicare.)

Call us right away at 1-800-772-1213 (7 a.m.–7 p.m. your local time) if any earnings for years **before last year** are shown incorrectly. Please have your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

Some Facts About Social Security

About Social Security and Medicare...

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more. Medicare does not pay for long-term care, so you may want to consider options for private insurance. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit www.medicare.gov or call 1-800-633-4227 (TTY 1-877-486-2048 if you are deaf or hard of hearing).

Retirement — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 and later.

Some people retire before their full retirement age. You can retire as early as 62 and take benefits at a reduced rate. If you work after your full retirement age, you can receive higher benefits because of additional earnings and credits for delayed retirement.

Disability — If you become disabled before full retirement age, you can receive disability benefits after six months if you have:

- enough credits from earnings (depending on your age, you must have earned six to 20 of your credits in the three to 10 years before you became disabled); and
- a physical or mental impairment that's expected to prevent you from doing "substantial" work for a year or more or result in death.

If you are filing for disability benefits, please let us know if you are on active military duty or are a recently discharged veteran, so that we can handle your claim more quickly.

Family — If you're eligible for disability or retirement benefits, your current or divorced spouse, minor children or adult children disabled before age 22 also may receive benefits. Each may qualify for up to about 50 percent of your benefit amount.

Survivors — When you die, certain members of your family may be eligible for benefits:

- your spouse age 60 or older (50 or older if disabled, or any age if caring for your children younger than age 16); and
- your children if unmarried and younger than age 18, still in school and younger than 19 years old, or adult children disabled before age 22.

If you are divorced, your ex-spouse could be eligible for a widow's or widower's benefit on your record when you die.

Extra Help with Medicare — If you know someone who is on Medicare and has limited resources and income, Extra Help is available for prescription drug costs. The Extra Help can help pay the monthly premiums, annual deductibles and prescription co-payments. To learn more or to apply, visit www.socialsecurity.gov or call 1-800-772-1213 (TTY 1-800-325-0778).

Receive benefits and still work...

You can work and still get retirement or survivors benefits. If you're younger than your full retirement age, there are limits on how much you can earn without affecting your benefit amount. When you apply for benefits, we'll tell you what the limits are and whether work would affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

Before you decide to retire...

Carefully consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your monthly benefits will be reduced.

To help you decide the best time to retire, we offer a free publication, *When To Start Receiving Retirement Benefits* (Publication No. 05-10147), that identifies the many factors you should consider before applying. Most people can receive an estimate of their benefit based on their actual Social Security earnings record by going to www.socialsecurity.gov/estimator. You also can calculate future retirement benefits by using the Social Security Benefit Calculators at www.socialsecurity.gov.

Other helpful free publications include:

- *Retirement Benefits* (No. 05-10035)
- *Understanding The Benefits* (No. 05-10024)
- *Your Retirement Benefit: How It Is Figured* (No. 05-10070)
- *Windfall Elimination Provision* (No. 05-10045)
- *Government Pension Offset* (No. 05-10007)
- *Identity Theft And Your Social Security Number* (No. 05-10064)

We also have other leaflets and fact sheets with information about specific topics such as military service, self-employment or foreign employment. You can request Social Security publications at our website, www.socialsecurity.gov, or by calling us at 1-800-772-1213. Our website has a list of frequently asked questions that may answer questions you have. We have easy-to-use online applications for benefits that can save you a telephone call or a trip to a field office.

You also may qualify for government benefits outside of Social Security. For more information on these benefits, visit www.benefits.gov.

If you need more information — Visit www.socialsecurity.gov on the Internet, contact any Social Security office, call 1-800-772-1213 or write to Social Security Administration, Office of Earnings Operations, P.O. Box 33026, Baltimore, MD 21290-3026. If you're deaf or hard of hearing, call TTY 1-800-325-0778. If you have questions about your personal information, you must provide your complete Social Security number. If your address is incorrect on this *Statement*, ask the IRS to send you a Form 8822. We don't keep your address if you're not receiving Social Security benefits.

Appendix B

Table B-1 — Comparison of alternative benefit estimation methods: Percentages accurate to within 5 percent of the actual PIA, by *Statement* age

<i>Statement</i> age	Current <i>Statement</i> method	Scaled-worker methods			
		Scaled	Two zero	Three zero	Average three
25	10	2	3	3	2
30	18	2	2	2	2
35	27	5	4	4	3
40	32	8	8	8	5
45	41	13	13	12	8
50	55	23	23	23	16
55	76	63	62	62	53

Source: 2015 CWHS (1940–1946 birth cohorts).

Note: Includes workers in insured status as of *Statement* age.

Table B-2 — Comparison of alternative benefit estimation methods: Percentages accurate to within 10 percent of the actual PIA, by *Statement* age

<i>Statement</i> age	Current <i>Statement</i> method	Scaled-worker methods			
		Scaled	Two zero	Three zero	Average three
25	20	4	5	5	4
30	35	4	4	4	4
35	47	7	7	7	6
40	51	14	13	13	10
45	61	22	22	22	17
50	75	51	50	50	43
55	90	86	85	85	77

Source: 2015 CWHS (1940–1946 birth cohorts).

Note: Includes workers in insured status as of *Statement* age.

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