

Social Security Online

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Automatic Increases

Contribution and Benefit Base

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Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit generally increases with increases in the national [average wage index](#). We call this annual limit the contribution and benefit base, or taxable maximum. For earnings in 2011, this base is [\\$106,800](#).

For Medicare's Hospital Insurance (HI) program, the taxable maximum was the same as that for the OASDI program for 1966-1990. Separate HI taxable maximums of \$125,000, \$130,200, and \$135,000 were applicable in 1991-93, respectively. After 1993, there has been no limitation on HI-taxable earnings.

An employee who pays contributions on earnings in excess of the contribution and benefit base (because of employment with two or more employers) is eligible for a refund of the excess employee contributions.

For wages paid in 2011, employees pay 4.2 percent and employers pay 6.2 percent in OASDI taxes. Thus, an individual with wages equal to or larger than \$106,800 would contribute \$4,485.60 to the OASDI program in 2011, and his or her employer would contribute \$6,621.60. Self-employed workers pay 10.4 percent in OASDI taxes on income in 2011. By law, the OASI and DI trust funds will receive taxes as if the tax rates were 6.2 percent for employees and employers, each, and 12.4 percent for self-employed workers. The reduction in 2011 tax revenue due to lower tax rates will be made up by transfers from the general fund of the Treasury to the trust funds. See [tax rates](#) for a table of the OASDI and HI tax rates on wages and self-employment income.

Contribution and benefit bases, 1937-2011

Year	Amount	Year	Amount	Year	Amount
1937-50	\$3,000	1986	\$42,000	2006	\$94,200
1951-54	3,600	1987	43,800	2007	97,500
1955-58	4,200	1988	45,000	2008	102,000
1959-65	4,800	1989	48,000	2009	106,800
1966-67	6,600	1990	51,300	2010	106,800
1968-71	7,800	1991	53,400	2011	106,800
1972	9,000	1992	55,500		
1973	10,800	1993	57,600		

1974	13,200	1994	60,600
1975	14,100	1995	61,200
1976	15,300	1996	62,700
1977	16,500	1997	65,400
1978	17,700	1998	68,400
1979	22,900	1999	72,600
1980	25,900	2000	76,200
1981	29,700	2001	80,400
1982	32,400	2002	84,900
1983	35,700	2003	87,000
1984	37,800	2004	87,900
1985	39,600	2005	90,000

Note: Amounts for 1937-74 and for 1979-81 were set by statute; all other amounts were determined under automatic adjustment provisions of the Social Security Act.