

## Calculating Your Estimated Benefits Under the Proposed Public Servant Retirement Protection Act (H.R. 1714)

<p><b>Before You Start: Gather Your Earnings Information</b> In order to calculate your estimated benefits, you will need your Adjusted Gross Income for each year you worked. Unless you already have this information (e.g. from your tax forms), you will probably need to get your income from two sources. First, by requesting a Social Security Statement through the <a href="#">Social Security Administration's website</a>. Second, for the income you earned on which you didn't contribute to Social Security (e.g. your public school job for which Social Security was not taken out of your paycheck), you'll need to either look at your old tax returns, W-2s, pay stubs or other records, or see if the information is available from the IRS, your pension system, or your employers. Once you have this data you can start your calculations.</p>	
<p><b>Step 1: Enter Your Actual Earnings</b> On the Indexed Earnings Worksheet (pages 3 &amp; 4), enter your actual earnings (i.e. Adjusted Gross Income) in the appropriate "Non-Social Security Earnings" and "Social Security Earnings" columns. For each year, add these two numbers together and enter the totals in the "Combined Earnings" column. If this number is larger than the number specified in the "Maximum Earnings" column, you will calculate your indexed earnings (next step) using the Maximum Earnings figure.</p>	
<p><b>Step 2: Calculate Your Combined Indexed Annual Earnings</b> Multiply each number in the "Combined Earnings" column (or "Maximum Earnings" column, whichever number is less) by the number in the corresponding "Index Factor" column for that year. Enter the results for each year you worked in the "Combined Indexed Earnings" column.</p>	
<p><b>Step 3: Calculate Your Combined Indexed Earnings Total</b> If you have worked 35 years or less, add up all of the numbers in your "Combined Indexed Earnings" column, and enter the total on Line 3. If you have worked more than 35 years, figure out for which 35 years your actual earnings were the highest, add up only those numbers, and enter the total on Line 3.</p>	<p><b>Line 3</b> \$ _____</p>
<p><b>Step 4: Calculate Your Combined Average Indexed Monthly Earnings</b> a. Divide the number on Line 3 by 420. Enter the result on Line 4.</p>	<p><b>Line 4</b> \$ _____</p>
<p><b>Step 5: Calculate Your Benefit Using the Social Security Formula</b> a. If the number on Line 4 is greater than or equal to \$612, enter \$550 on Line 5a. If the number on Line 4 is less than \$612, multiply that number by 0.9, enter the result on Line 5a and go directly to step 6.</p>	<p><b>Line 5a</b> \$ _____</p>
<p>b. If the number on Line 4 is greater than \$3689 enter \$788 on Line 5b. If the number on Line 4 is less than \$3689, subtract \$612 from that number, multiply the result by 0.3, enter the result on line 5b, and go directly to step 6.</p>	<p><b>Line 5b</b> \$ _____</p>
<p>c. If the number on Line 4 is greater than \$3689, subtract \$3689 from that number, multiply the result by 0.15, and enter the result on line 5c.</p>	<p><b>Line 5c</b> \$ _____</p>

<p><b>Step 6: Calculate Your Benefit (Based on All Earnings)</b>  Add the numbers on Lines 5a, 5b and 5c. Enter the result on Line 6. This is the monthly benefit you would receive if all your earnings had been only from jobs covered by Social Security.</p>	<p><b>Line 6</b>  \$ _____</p>
<p><b>Step 7: Calculate Your Indexed Social Security Earnings</b>  Refer back to the worksheet on pages 3 &amp; 4. Multiply each number in your “Social Security Earnings” column by the corresponding Index Factor and enter that number in the “Social Security Only Indexed Earnings” column.</p>	
<p><b>Step 8: Calculate Your Indexed Social Security Only Earnings Total</b>  If you have worked 35 years or fewer, add up all of the numbers in the “Social Security Only Indexed Earnings” column, and enter the total on Line 8. If you have worked more than 35 years, figure out for which 35 years your actual earnings were the highest, and add up only those numbers. Enter the total on Line 8.</p>	<p><b>Line 8</b>  \$ _____</p>
<p><b>Step 9: Calculate Your Indexed Social Security Only Monthly Earnings</b>  Divide the number on Line 8 by 420. Enter the result on Line 9.</p>	<p><b>Line 9</b>  \$ _____</p>
<p><b>Step 10: Calculate the Portion of Earnings Subject to Social Security</b>  Divide the number on Line 9 (your Indexed Monthly Social Security Earnings) by the number on Line 4 (Combined Indexed Monthly Earnings) to determine the percentage of your career that was subject to Social Security.</p>	<p><b>Line 10</b>  _____ %</p>
<p><b>Step 11: Calculate Your Benefit under the proposed Public Servant Retirement Protection Act.</b>  Multiply Line 10 (the percentage of your earnings subject to Social Security) by the number from Line 6 (your Benefit Amount Based on All Earnings). The result is an unofficial estimate of your benefit amount under the current formulation (as of June 2004) of the Public Servant Retirement Protection Act. (NOTE: There is a provision in the proposed bill that ensures that your benefit will not be lower than it is under the current law, which includes the Windfall Elimination Provision.)</p>	<p><b>Line 11</b>  <b>Your Benefit under Proposed Bill:</b>  \$ _____</p>
<p><b>Step 12: Compare Your Benefit Under the Proposed Bill to Your Benefit under the Windfall Elimination Provision.</b> Use the <a href="#">Social Security Administration’s WEP benefit calculator</a> to determine how the current WEP will impact your benefits. Compare the result with the number on line 11 of this worksheet to see how the proposed law would change your benefit level. (Note: If your benefit would be higher under the current WEP law than under the proposed bill, you would receive the higher amount).</p>	

*Disclaimer: This worksheet is intended to provide an unofficial estimate of the impact of the Public Servant Retirement Protection Act (PSRPA) on Social Security benefits for those already retired or planning to retire in 2004. Benefits of those planning to retire after this year would depend on future earnings and future index factors. The worksheet is based on NEA’s understanding of the PSRPA as drafted in June 2004. Legislation is always subject to change until the President signs it into law. NEA assumes no liability for results calculated using this worksheet.*

# Indexed Earnings Worksheet

NOTE: Round all figures down to the nearest dollar

Year	Non-Social Security Earnings	Social Security Earnings	Maximum Earnings	Combined Earnings	Index Factor	Combined Indexed Earnings	Social Security Only Indexed Earnings
1951			\$3,600		11.87931		
1952			\$3,600		11.18349		
1953			\$3,600		10.59173		
1954			\$3,600		10.53735		
1955			\$4,200		10.0711		
1956			\$4,200		9.41356		
1957			\$4,200		9.13087		
1958			\$4,200		9.05114		
1959			\$4,800		8.62391		
1960			\$4,800		8.29825		
1961			\$4,800		8.13654		
1962			\$4,800		7.74854		
1963			\$4,800		7.56307		
1964			\$4,800		7.26612		
1965			\$4,800		7.1376		
1966			\$6,600		6.73343		
1967			\$6,600		6.37815		
1968			\$7,800		5.96797		
1969			\$7,800		5.64191		
1970			\$7,800		5.37517		
1971			\$7,800		5.11801		
1972			\$9,000		4.6612		
1973			\$10,800		4.38673		
1974			\$13,200		4.14059		
1975			\$14,100		3.85267		
1976			\$15,300		3.60398		
1977			\$16,500		3.4002		
1978			\$17,700		3.15006		

## Indexed Earnings Worksheet (continued)

NOTE: Round all figures down to the nearest dollar

Year	Non-Social Security Earnings	Social Security Earnings	Maximum Earnings	Combined Earnings	Index Factor	Combined Indexed Earnings	Social Security Only Indexed Earnings
1979			\$22,900		2.89666		
1980			\$25,900		2.65731		
1981			\$29,700		2.41428		
1982			\$32,400		2.2883		
1983			\$35,700		2.182		
1984			\$37,800		2.06086		
1985			\$39,600		1.97664		
1986			\$42,000		1.91966		
1987			\$43,800		1.80458		
1988			\$45,000		1.71987		
1989			\$48,000		1.65437		
1990			\$51,300		1.58133		
1991			\$53,400		1.52451		
1992			\$55,500		1.44981		
1993			\$57,600		1.43745		
1994			\$60,600		1.39988		
1995			\$61,200		1.34593		
1996			\$62,700		1.28381		
1997			\$65,400		1.21243		
1998			\$68,400		1.15213		
1999			\$72,600		1.09131		
2000			\$76,200		1.03412		
2001			\$80,400		1.01003		
2002			\$84,900		1.		
2003			\$87,000		1.		
					<b>TOTAL</b>		