

Average Burden Per Response: 10 minutes

Estimated Annual Burden: 833 hours

2. Report of Continuing Disability Interview—0960-0072. The information on form SSA-454 is used by the Social Security Administration to determine whether a person who receives Social Security Disability benefits is still unable to work because of his/her disability. It will be used to make a determination as to whether the Disability benefits should continue or terminate. The affected public will consist of approximately 300,000 Social Security Disability benefit recipients.

Number of Respondents: 300,000

Frequency of Response: 1

Average Burden Per Response: 30 minutes

Estimated Annual Burden: 150,000 hours

3. Medical Report (Individual With Childhood Impairment)—0960-0102. The information on form SSA-3827 is used by the Social Security Administration to determine if an individual with a childhood impairment medically qualifies for benefits or payments under the provisions of the Social Security Act. Without this data, SSA would not be able to properly evaluate the medical aspects of an individual's claim or application. The respondents will be attending physicians/medical sources.

Number of Respondents: 12,000

Frequency of Response: 1

Average Burden Per Response: 30 minutes

Estimated Annual Burden: 6,000 hours

4. Agreement to Sell Property—0960-0127. The information on form SSA-8060 is used by the Social Security Administration when individuals or couples who are otherwise eligible for Supplemental Security Income (SSI) benefits, but whose resources exceed the allowable limit, may receive conditional payments if they agree to dispose of their excess nonliquid resources and make repayment. The respondents will be applicants for and recipients of SSI benefits.

Number of Respondents: 20,000

Frequency of Response: 1

Average Burden Per Response: 10 minutes

Estimated Annual Burden: 3,333 hours

5. Application for Survivors Benefits—0960-0062. The information on form SSA-24 is used by the Social Security Administration to determine if an individual who is filing for benefits from the Department of Veterans Affairs (DVA) may also be entitled by SSA. The respondents are claimants for VA benefits.

Number of Respondents: 3,200

Frequency of Response: 1

Average Burden Per Response: 15 minutes

Estimated Annual Burden: 800 hours

6. Modified Benefit Formula Questionnaire—0960-0395. The information on form SSA-150 is used by the Social Security Administration to determine the correct formula to be used in computing the Social Security benefit of someone who also receives a benefit from employment not covered by Social Security. The respondents will be people who are entitled to both types of benefits.

Number of Respondents: 90,000

Frequency of Response: 1

Average Burden Per Response: 30 minutes

Estimated Annual Burden: 12,000 hours

7. Modified Benefit Formula Questionnaire, Employer—0960-0477. The information on form SSA-50 is used by the Social Security Administration to verify the claimant's allegation that he or she received a pension based on union-covered employment after 1956. It also shows whether or not the individual became eligible for that pension before 1985. The respondents will be persons who are first eligible for both Social Security benefits and a pension from noncovered employment after 1985.

Number of Respondents: 30,000

Frequency of Response: 1

Average Burden Per Response: 20 minutes

Estimated Annual Burden: 10,000 hours

8. Report of Student Beneficiary About to Attain Age 19—0960-0274. The information on form SSA-1390 is used by the Social Security Administration to determine whether a student beneficiary is entitled to benefits for the month of attainment of age 19 and subsequent months. The respondents will be student beneficiaries about to attain age 19.

Number of Respondents: 50,000

Frequency of Response: 1

Average Burden Per Response: 5 minutes

Estimated Annual Burden: 4,167 hours

9. Reconsideration Disability Report—0960-0144. The information on form SSA-3441 is used by the Social Security Administration to determine if the claimant's medical or vocational situation changed after the initial disability determination. This form also elicits additional sources of medical and vocational evidence which were not considered in the initial determination. The respondents are disability beneficiaries who request a reconsideration.

Number of Respondents: 400,000

Frequency of Response: 1

Average Burden Per Response: 30 minutes

Estimated Annual Burden: 200,000 hours

Written comments and recommendations regarding these information collections should be sent within 30 days of the date of this publication. Comments may be directed to OMB and SSA at the following addresses:

(OMB)

Office of Management and Budget,
OIRA, Attn: Laura Oliven, New
Executive Office Building, Room
10230, Washington, D.C. 20503

(SSA)

Social Security Administration,
DCFAM, Attn: Charlotte S.
Whitenight, 6401 Security Blvd, 1-
A-21 Operations Bldg., Baltimore,
MD 21235

Dated: October 18, 1995.

Charlotte Whitenight,
*Reports Clearance Officer, Social Security
Administration.*
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Office of the Commissioner; 1996 Cost-of-Living Increase and Other Determinations

AGENCY: Social Security Administration.

ACTION: Notice.

SUMMARY: The Commissioner has determined—

(1) A 2.6 percent cost-of-living increase in Social Security benefits under title II, effective for December 1995;

(2) An increase in the Federal Supplemental Security Income (SSI) monthly benefit amounts under title XVI for 1996 to \$470 for an eligible individual, \$705 for an eligible individual with an eligible spouse, and \$235 for an essential person;

(3) The national average wage index for 1994 to be \$23,753.53;

(4) The Old-Age, Survivors, and Disability Insurance (OASDI) contribution and benefit base to be \$62,700 for remuneration paid in 1996 and self-employment income earned in taxable years beginning in 1996;

(5) The monthly exempt amounts under the Social Security retirement earnings test for taxable years ending in calendar year 1996 to be \$960 for beneficiaries age 65 through 69 and \$690 for beneficiaries under age 65;

(6) The dollar amounts ("bend points") used in the benefit formula for

workers who become eligible for benefits in 1996 and in the formula for computing maximum family benefits;

(7) The amount of earnings a person must have to be credited with a quarter of coverage in 1996 to be \$640;

(8) The "old-law" contribution and benefit base to be \$46,500 for 1996;

(9) The OASDI fund ratio to be 128.3 percent for 1995; and

(10) The domestic worker coverage threshold to be \$1,000 for 1996.

FOR FURTHER INFORMATION CONTACT:

Jeffrey L. Kunkel, Office of the Actuary, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235, (410) 965-3013. A summary of the information in this announcement is available in a recorded message by telephoning (410) 965-3053. This telephone message will be updated to reflect changes to the cost-of-living benefit increase and other determinations. Information relating to this announcement is also available on the Social Security Administration's World Wide Web server—<http://www.ssa.gov>.

SUPPLEMENTARY INFORMATION: The Commissioner is required by the Social Security Act (the Act) to publish within 45 days after the close of the third calendar quarter of 1995 the benefit increase percentage and the revised table of "special minimum" benefits (section 215(i)(2)(D)). Also, the Commissioner is required to publish on or before November 1 the national average wage index for 1994 (section 215(a)(1)(D)), the OASDI fund ratio for 1995 (section 215(i)(2)(C)(ii)), the OASDI contribution and benefit base for 1996 (section 230(a)), the amount of earnings required to be credited with a quarter of coverage in 1996 (section 213(d)(2)), the monthly exempt amounts under the Social Security retirement earnings test for 1996 (section 203(f)(8)(A)), the formula for computing a primary insurance amount for workers who first become eligible for benefits or die in 1996 (section 215(a)(1)(D)), and the formula for computing the maximum amount of benefits payable to the family of a worker who first becomes eligible for old-age benefits or dies in 1996 (section 203(a)(2)(C)).

Cost-of-Living Increases

General. The cost-of-living increase is 2.6 percent for benefits under titles II and XVI of the Act.

Under title II, OASDI benefits will increase by 2.6 percent beginning with the December 1995 benefits, which are payable on January 3, 1996. This increase is based on the authority

contained in section 215(i) of the Act (42 U.S.C. 415(i)).

Under title XVI, Federal SSI payment levels will also increase by 2.6 percent effective for payments made for the month of January 1996 but paid on December 29, 1995. This is based on the authority contained in section 1617 of the Act (42 U.S.C. 1382f). The percentage increase effective January 1996 is the same as the title II percentage increase and the annual payment amount is rounded, when not a multiple of \$12, to the next lower multiple of \$12.

Automatic Benefit Increase Computation. Under section 215(i) of the Act, the third calendar quarter of 1995 is a cost-of-living computation quarter for all the purposes of the Act. The Commissioner is, therefore, required to increase benefits, effective with December 1995, for individuals entitled under section 227 or 228 of the Act, to increase primary insurance amounts of all other individuals entitled under title II of the Act, and to increase maximum benefits payable to a family. For December 1995, the benefit increase is the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers from the third quarter of 1994 through the third quarter of 1995.

Section 215(i)(1) of the Act provides that the Consumer Price Index for a cost-of-living computation quarter shall be the arithmetic mean of this index for the 3 months in that quarter. The arithmetic mean is rounded, if necessary, to the nearest 0.1. The Department of Labor's Consumer Price Index for Urban Wage Earners and Clerical Workers for each month in the quarter ending September 30, 1994, was: for July 1994, 145.8; for August 1994, 146.5; and for September 1994, 146.9. The arithmetic mean for this calendar quarter is 146.4. The corresponding Consumer Price Index for each month in the quarter ending September 30, 1995, was: for July 1995, 149.9; for August 1995, 150.2; and for September 1995, 150.6. The arithmetic mean for this calendar quarter is 150.2. Thus, because the Consumer Price Index for the calendar quarter ending September 30, 1995, exceeds that for the calendar quarter ending September 30, 1994 by 2.6 percent, a cost-of-living benefit increase of 2.6 percent is effective for benefits under title II of the Act beginning December 1995.

Title II Benefit Amounts. In accordance with section 215(i) of the Act, in the case of insured workers and family members for whom eligibility for

benefits (i.e., the worker's attainment of age 62, or disability or death before age 62) occurred before 1996, benefits will increase by 2.6 percent beginning with benefits for December 1995 which are payable on January 3, 1996. In the case of first eligibility after 1995, the 2.6 percent increase will not apply.

For eligibility after 1978, benefits are generally determined by a benefit formula provided by the Social Security Amendments of 1977 (Pub. L. 95-216), as described later in this notice.

For eligibility before 1979, benefits are determined by means of a benefit table. In accordance with section 215(i)(4) of the Act, the primary insurance amounts and the maximum family benefits shown in this table are revised by (1) Increasing by 2.6 percent the corresponding amounts established by the last cost-of-living increase and the last extension of the benefit table made under section 215(i)(4) (to reflect the increase in the OASDI contribution and benefit base for 1995); and (2) by extending the table to reflect the higher monthly wage and related benefit amounts now possible under the increased contribution and benefit base for 1996, as described later in this notice. A copy of this table may be obtained by writing to: Social Security Administration, Office of Public Inquiries, 4100 Annex, Baltimore, MD 21235.

Section 215(i)(2)(D) of the Act also requires that, when the Commissioner determines an automatic increase in Social Security benefits, the Commissioner shall publish in the Federal Register a revision of the range of the primary insurance amounts and corresponding maximum family benefits based on the dollar amount and other provisions described in section 215(a)(1)(C)(i). These benefits are referred to as "special minimum" benefits and are payable to certain individuals with long periods of relatively low earnings. To qualify for such benefits, an individual must have at least 11 "years of coverage." To earn a year of coverage for purposes of the special minimum, a person must earn at least a certain proportion (25 percent for years before 1991, and 15 percent for years after 1990) of the "old-law" contribution and benefit base. In accordance with section 215(a)(1)(C)(i), the table below shows the revised range of primary insurance amounts and corresponding maximum family benefit amounts after the 2.6 percent benefit increase.

SPECIAL MINIMUM PRIMARY INSURANCE AMOUNTS AND MAXIMUM FAMILY BENEFITS

Special minimum primary insurance amount payable for Dec. 1994	Number of years of coverage	Special minimum primary insurance amount payable for Dec. 1995	Special minimum family benefit payable for Dec. 1995
\$25.80	11	\$26.40	\$39.80
51.50	12	52.80	79.80
77.70	13	79.70	119.90
103.60	14	106.20	159.70
129.50	15	132.80	199.30
155.50	16	159.50	239.80
181.50	17	186.20	279.80
207.60	18	212.90	319.70
233.50	19	239.50	359.70
259.30	20	266.00	399.60
285.60	21	293.00	439.80
311.40	22	319.40	479.70
337.60	23	346.30	520.30
363.60	24	373.00	560.00
389.50	25	399.60	599.70
415.70	26	426.50	640.40
441.70	27	453.10	680.20
467.50	28	479.60	720.00
493.40	29	506.20	760.10
519.40	30	532.90	799.90

Section 227 of the Act provides flat-rate benefits to a worker who became age 72 before 1969 and was not insured under the usual requirements, and to his or her spouse or surviving spouse. Section 228 of the Act provides similar benefits at age 72 for certain uninsured persons. The current monthly benefit amount of \$188.50 for an individual under sections 227 and 228 of the Act is increased by 2.6 percent to obtain the new amount of \$193.40. The present monthly benefit amount of \$94.30 for a spouse under section 227 is increased by 2.6 percent to \$96.70.

Title XVI Benefit Amounts. In accordance with section 1617 of the Act, Federal SSI benefit amounts for the aged, blind, and disabled are increased by 2.6 percent effective January 1996. Therefore, the yearly Federal SSI benefit amounts of \$5,496 for an eligible individual, \$8,244 for an eligible individual with an eligible spouse, and \$2,748 for an essential person, which became effective January 1995, are increased, effective January 1996, to \$5,640, \$8,460, and \$2,820, respectively, after rounding. The corresponding monthly amounts for 1996 are determined by dividing the yearly amounts by 12, giving \$470, \$705, and \$235, respectively. The monthly amount is reduced by subtracting monthly countable income. In the case of an eligible individual with an eligible spouse, the amount payable is further divided equally between the two spouses.

National Average Wage Index for 1994

General. Under various provisions of the Act, several amounts are scheduled to increase automatically for 1996 based on the annual increase in the national average wage index. These include (1) the OASDI contribution and benefit base, (2) the retirement test exempt amounts, (3) the dollar amounts, or "bend points," in the primary insurance amount and maximum family benefit formulas, (4) the amount of earnings required for a worker to be credited with a quarter of coverage, and (5) the "old law" contribution and benefit base (as determined under section 230 of the Act as in effect before the 1977 amendments). In addition, Pub. L. 103-387, enacted October 22, 1994, requires that the "domestic employee coverage threshold" also be based on changes in the national average wage index.

Computation. The determination of the national average wage index for calendar year 1994 is based on the 1993 national average wage index of \$23,132.67 announced in the Federal Register on October 31, 1994 (59 FR 54464), along with the percentage increase in average wages from 1993 to 1994 measured by annual wage data tabulated by the Social Security Administration (SSA). The wage data tabulated by SSA include contributions to deferred compensation plans, as required by section 209(k) of the Act. The average amounts of wages calculated directly from this data were \$22,191.14 and \$22,786.73 for 1993 and 1994, respectively. To determine the national average wage index for 1994 at

a level that is consistent with the national average wage indexing series for 1951 through 1977 (published December 29, 1978, at 43 FR 61016), the 1993 national average wage index of \$23,132.67 is multiplied by the percentage increase in average wages from 1993 to 1994 (based on SSA-tabulated wage data) as follows (with the result rounded to the nearest cent):

Amount. The national average wage index for 1994 is \$23,132.67 times \$22,786.73 divided by \$22,191.14, which equals \$23,753.53. Therefore, the national average wage index for calendar year 1994 is determined to be \$23,753.53.

OASDI Contribution and Benefit Base

General. The OASDI contribution and benefit base is \$62,700 for remuneration paid in 1996 and self-employment income earned in taxable years beginning in 1996.

The OASDI contribution and benefit base serves two purposes:

(a) It is the maximum annual amount of earnings on which OASDI taxes are paid. The OASDI tax rate for remuneration paid in 1996 is set by statute at 6.2 percent for employees and employers, each. The OASDI tax rate for self-employment income earned in taxable years beginning in 1996 is 12.4 percent. (The Hospital Insurance tax is due on remuneration, without limitation, paid in 1996, at the rate of 1.45 percent for employees and employers, each, and on self-employment income earned in taxable

years beginning in 1996, at the rate of 2.9 percent.)

(b) It is the maximum annual amount used in determining a person's OASDI benefits.

Computation. Section 230(b) of the Act, as amended by section 321(g) of the "Social Security Independence and Program Improvements Act of 1994," provides the formula used to determine the OASDI contribution and benefit base. Under the formula, the base for 1996 shall be equal to the larger of the current base (\$61,200) or the 1994 base of \$60,600 multiplied by the ratio of the national average wage index for 1994 to that for 1992. If the amount so determined is not a multiple of \$300, it shall be rounded to the nearest multiple of \$300.

Amount. The ratio of the national average wage index for 1994, \$23,753.53 as determined above, compared to that for 1992, \$22,935.42, is 1.0356702. Multiplying the 1994 OASDI contribution and benefit base amount of \$60,600 by the ratio of 1.0356702 produces the amount of \$62,761.61 which must then be rounded to \$62,700. Because \$62,700 exceeds the current base amount of \$61,200, the OASDI contribution and benefit base is determined to be \$62,700 for 1996.

Retirement Earnings Test Exempt Amounts

General. Social Security benefits are withheld when a beneficiary under age 70 has earnings in excess of the retirement earnings test exempt amount. A formula for determining the monthly exempt amounts is provided in section 203(f)(8)(B) of the Act, as amended by section 321(g) of the "Social Security Independence and Program Improvements Act of 1994." The 1995 monthly exempt amounts were determined by the formula to be \$940 for beneficiaries aged 65–69 and \$680 for beneficiaries under age 65. Thus, the annual exempt amounts for 1995 were set at \$11,280 and \$8,160, respectively. For beneficiaries aged 65–69, \$1 in benefits is withheld for every \$3 of earnings in excess of the annual exempt amount. For beneficiaries under age 65, \$1 in benefits is withheld for every \$2 of earnings in excess of the annual exempt amount.

Computation. Under the formula in section 203(f)(8)(B), each monthly exempt amount for 1996 shall be the larger of the corresponding 1995 monthly exempt amount or the corresponding 1994 monthly exempt amount multiplied by the ratio of the national average wage index for 1994 to that for 1992. The ratio of the national average wage index for 1994, \$23,753.53

as determined above, compared to that for 1992, \$22,935.42, is 1.0356702.

Section 203(f)(8)(B) further provides that if the amount so determined is not a multiple of \$10, it shall be rounded to the nearest multiple of \$10.

Exempt Amount for Beneficiaries Aged 65 Through 69. Multiplying the 1994 retirement earnings test monthly exempt amount of \$930 by the ratio of 1.0356702 produces the amount of \$963.17. This must then be rounded to \$960. Because \$960 is larger than the corresponding current exempt amount of \$940, the retirement earnings test monthly exempt amount for beneficiaries aged 65 through 69 is determined to be \$960 for 1996. The corresponding retirement earnings test annual exempt amount for these beneficiaries is \$11,520.

Exempt Amount for Beneficiaries Under Age 65. Multiplying the 1994 retirement earnings test monthly exempt amount of \$670 by the ratio 1.0356702 produces the amount of \$693.90. This must then be rounded to \$690. Because \$690 is larger than the corresponding current exempt amount of \$680, the retirement earnings test monthly exempt amount for beneficiaries under age 65 is thus determined to be \$690 for 1996. The corresponding retirement earnings test annual exempt amount for these beneficiaries is \$8,280.

Computing Benefits After 1978

General. The Social Security Amendments of 1977 provided a method for computing benefits which generally applies when a worker first becomes eligible for benefits after 1978. This method uses the worker's "average indexed monthly earnings" to compute the primary insurance amount. The computation formula is adjusted automatically each year to reflect changes in general wage levels, as measured by the national average wage index.

A worker's earnings are adjusted, or "indexed," to reflect the change in general wage levels that occurred during the worker's years of employment. Such indexation ensures that a worker's future benefits reflect the general rise in the standard of living that occurs during his or her working lifetime. A certain number of years of earnings are needed to compute the average indexed monthly earnings. After the number of years is determined, those years with the highest indexed earnings are chosen, the indexed earnings are summed, and the total amount is divided by the total number of months in those years. The resulting average amount is then rounded down to the next lower dollar

amount. The result is the average indexed monthly earnings.

For example, to compute the average indexed monthly earnings for a worker attaining age 62, becoming disabled before age 62, or dying before attaining age 62, in 1996, the national average wage index for 1994, \$23,753.53, is divided by the national average wage index for each year prior to 1994 in which the worker had earnings. The actual wages and self-employment income, as defined in section 211(b) of the Act and credited for each year, is multiplied by the corresponding ratio to obtain the worker's indexed earnings for each year before 1994. Any earnings in 1994 or later are considered at face value, without indexing. The average indexed monthly earnings is then computed and used to determine the worker's primary insurance amount for 1996.

Computing the Primary Insurance Amount. The primary insurance amount is the sum of three separate percentages of portions of the average indexed monthly earnings. In 1979 (the first year the formula was in effect), these portions were the first \$180, the amount between \$180 and \$1,085, and the amount over \$1,085. The dollar amounts in the formula which govern the portions of the average indexed monthly earnings are frequently referred to as the "bend points" of the formula. Thus, the bend points for 1979 were \$180 and \$1,085.

The bend points for 1996 are obtained by multiplying the corresponding 1979 bend-point amounts by the ratio between the national average wage index for 1994, \$23,753.53, and for 1977, \$9,779.44. These results are then rounded to the nearest dollar. For 1996, the ratio is 2.4289254. Multiplying the 1979 amounts of \$180 and \$1,085 by 2.4289254 produces the amounts of \$437.21 and \$2,635.38. These must then be rounded to \$437 and \$2,635. Accordingly, the portions of the average indexed monthly earnings to be used in 1996 are determined to be the first \$437, the amount between \$437 and \$2,635, and the amount over \$2,635.

Consequently, for individuals who first become eligible for old-age insurance benefits or disability insurance benefits in 1996, or who die in 1996 before becoming eligible for benefits, their primary insurance amount will be the sum of:

(a) 90 percent of the first \$437 of their average indexed monthly earnings, plus

(b) 32 percent of the average indexed monthly earnings over \$437 and through \$2,635, plus

(c) 15 percent of the average indexed monthly earnings over \$2,635.

This amount is then rounded to the next lower multiple of \$.10 if it is not already a multiple of \$.10. This formula and the rounding adjustment described above are contained in section 215(a) of the Act (42 U.S.C. 415(a)).

Maximum Benefits Payable to a Family

General. The 1977 amendments continued the long established policy of limiting the total monthly benefits which a worker's family may receive based on his or her primary insurance amount. Those amendments also continued the then existing relationship between maximum family benefits and primary insurance amounts but did change the method of computing the maximum amount of benefits which may be paid to a worker's family. The Social Security Disability Amendments of 1980 (Pub. L. 96-265) established a new formula for computing the maximum benefits payable to the family of a disabled worker. This new formula is applied to the family benefits of workers who first become entitled to disability insurance benefits after June 30, 1980, and who first become eligible for these benefits after 1978. The new formula was explained in a final rule published in the Federal Register on May 8, 1981, at 46 FR 25601. For disabled workers initially entitled to disability benefits before July 1980, or whose disability began before 1979, the family maximum payable is computed the same as the old-age and survivor family maximum.

Computing the Old-Age and Survivor Family Maximum. The formula used to compute the family maximum is similar to that used to compute the primary insurance amount. It involves computing the sum of four separate percentages of portions of the worker's primary insurance amount. In 1979, these portions were the first \$230, the amount between \$230 and \$332, the amount between \$332 and \$433, and the amount over \$433. The dollar amounts in the formula which govern the portions of the primary insurance amount are frequently referred to as the "bend points" of the family-maximum formula. Thus, the bend points for 1979 were \$230, \$332, and \$433.

The bend points for 1996 are obtained by multiplying the corresponding 1979 bend-point amounts by the ratio between the national average wage index for 1994, \$23,753.53, and the average for 1977, \$9,779.44. This amount is then rounded to the nearest dollar. For 1996, the ratio is 2.4289254. Multiplying the amounts of \$230, \$332, and \$433 by 2.4289254 produces the amounts of \$558.65, \$806.40, and \$1,051.72. These amounts are then

rounded to \$559, \$806, and \$1,052. Accordingly, the portions of the primary insurance amounts to be used in 1996 are determined to be the first \$559, the amount between \$559 and \$806, the amount between \$806 and \$1,052, and the amount over \$1,052.

Consequently, for the family of a worker who becomes age 62 or dies in 1996 before age 62, the total amount of benefits payable to them will be computed so that it does not exceed:

(a) 150 percent of the first \$559 of the worker's primary insurance amount, plus

(b) 272 percent of the worker's primary insurance amount over \$559 through \$806, plus

(c) 134 percent of the worker's primary insurance amount over \$806 through \$1,052, plus

(d) 175 percent of the worker's primary insurance amount over \$1,052.

This amount is then rounded to the next lower multiple of \$.10 if it is not already a multiple of \$.10. This formula and the rounding adjustment described above are contained in section 203(a) of the Act (42 U.S.C. 403(a)).

Quarter of Coverage Amount

General. The 1996 amount of earnings required for a quarter of coverage is \$640. A quarter of coverage is the basic unit for determining whether a worker is insured under the Social Security program. For years before 1978, an individual generally was credited with a quarter of coverage for each quarter in which wages of \$50 or more were paid, or an individual was credited with 4 quarters of coverage for every taxable year in which \$400 or more of self-employment income was earned. Beginning in 1978, wages generally are no longer reported on a quarterly basis; instead, annual reports are made. With the change to annual reporting, section 352(b) of the Social Security Amendments of 1977 (Pub. L. 95-216) amended section 213(d) of the Act to provide that a quarter of coverage would be credited for each \$250 of an individual's total wages and self-employment income for calendar year 1978 (up to a maximum of 4 quarters of coverage for the year).

Computation. Under the prescribed formula, the quarter of coverage amount for 1996 shall be equal to the larger of the current amount of \$630 or the 1978 amount of \$250 multiplied by the ratio of the national average wage index for 1994 to that for 1976. The national average wage index for 1976 was previously determined to be \$9,226.48. The average wage index for 1994 is \$23,753.53 as determined above. Section 213(d) further provides that if

the amount so determined is not a multiple of \$10, it shall be rounded to the nearest multiple of \$10.

Quarter of Coverage Amount. The ratio of the national average wage index for 1994, \$23,753.53, compared to that for 1976, \$9,226.48, is 2.5744954. Multiplying the 1978 quarter of coverage amount of \$250 by the ratio of 2.5744954 produces the amount of \$643.62, which must then be rounded to \$640. Because \$640 exceeds the current amount of \$630, the quarter of coverage amount is determined to be \$640 for 1996.

"Old-Law" Contribution and Benefit Base

General. The 1996 "old-law" contribution and benefit base is \$46,500. This is the base that would have been effective under the Act without the enactment of the 1977 amendments. The base is computed under section 230(b) of the Act as it read prior to the 1977 amendments.

The "old-law" contribution and benefit base is used by:

(a) the Railroad Retirement program to determine certain tax liabilities and tier II benefits payable under that program to supplement the tier I payments which correspond to basic Social Security benefits,

(b) the Pension Benefit Guaranty Corporation to determine the maximum amount of pension guaranteed under the Employee Retirement Income Security Act (as stated in section 230(d) of the Act),

(c) Social Security to determine a year of coverage in computing the special minimum benefit, as described earlier, and

(d) Social Security to determine a year of coverage (acquired whenever earnings equal or exceed 25 percent of the "old-law" base for this purpose only) in computing benefits for persons who are also eligible to receive pensions based on employment not covered under section 210 of the Act.

Computation. The base is computed using the automatic adjustment formula in section 230(b) of the Act as it read prior to the enactment of the 1977 amendments, but with the revised indexing formula introduced by section 321(g) of the "Social Security Independence and Program Improvements Act of 1994." Under the formula, the "old-law" contribution and benefit base shall be the larger of the current "old-law" base (\$45,300) or the 1994 "old-law" base (\$45,000) multiplied by the ratio of the national average wage index for 1994 to that for 1992. If the amount so determined is not

a multiple of \$300, it shall be rounded to the nearest multiple of \$300.

Amount. The ratio of the national average wage index for 1994, \$23,753.53 as determined above, compared to that for 1992, \$22,935.42, is 1.0356702. Multiplying the 1994 "old-law" contribution and benefit base amount of \$45,000 by the ratio of 1.0356702 produces the amount of \$46,605.16 which must then be rounded to \$46,500. Because \$46,500 exceeds the current amount of \$45,300, the "old-law" contribution and benefit base is determined to be \$46,500 for 1996.

OASDI Fund Ratio

General. Section 215(i) of the Act provides for automatic cost-of-living increases in OASDI benefit amounts. This section also includes a "stabilizer" provision that can limit the automatic OASDI benefit increase under certain circumstances. If the combined assets of the OASI and DI Trust Funds, as a percentage of annual expenditures, are below a specified threshold, the automatic benefit increase is equal to the lesser of (1) the increase in the national average wage index or (2) the increase in prices. The threshold specified for the OASDI fund ratio is 20.0 percent for benefit increases for December of 1989 and later. The law also provides for subsequent "catch-up" benefit increases for beneficiaries whose previous benefit increases were affected by this provision. "Catch-up" benefit increases can occur only when trust fund assets exceed 32.0 percent of annual expenditures.

Computation. Section 215(i) specifies the computation and application of the OASDI fund ratio. The OASDI fund ratio for 1995 is the ratio of (1) the combined assets of the OASI and DI Trust Funds at the beginning of 1995 to (2) the estimated expenditures of the OASI and DI Trust Funds during 1995, excluding transfer payments between the OASI and DI Trust Funds, and reducing any transfers to the Railroad Retirement Account by any transfers from that account into either trust fund.

Ratio. The combined assets of the OASI and DI Trust Funds at the beginning of 1995 equaled \$436,385 million, and the expenditures are estimated to be \$340,194 million. Thus, the OASDI fund ratio for 1995 is 128.3 percent, which exceeds the applicable threshold of 20.0 percent. Therefore, the stabilizer provision does not affect the benefit increase for December 1995. Although the OASDI fund ratio exceeds the 32.0-percent threshold for potential "catch-up" benefit increases, no past benefit increase has been reduced under

the stabilizer provision. Thus, no "catch-up" benefit increase is required.

Domestic Employee Coverage Threshold

General. Section 2 of the "Social Security Domestic Employment Reform Act of 1994" (Pub. L. 103-387) increased the threshold for coverage of a domestic employee's wages paid per employer from \$50 per calendar quarter to \$1,000 in calendar year 1994. The new statute holds the coverage threshold at the \$1,000 level for 1995 and then increases the threshold in \$100 increments for years after 1995. The formula for increasing the threshold is provided in section 3121(x) of the Internal Revenue Code, as added by the new law.

Computation. Under the new formula, the domestic employee coverage threshold amount for 1996 shall be equal to the 1995 amount of \$1,000 multiplied by the ratio of the national average wage index for 1994 to that for 1993. The national average wage index for 1993 was previously determined to be \$23,132.67. The average wage index for 1994 is \$23,753.53 as determined above. If the amount so determined is not a multiple of \$100, it shall be rounded to the next lower multiple of \$100.

Domestic Employee Coverage Threshold Amount. The ratio of the national average wage index for 1994, \$23,753.53, compared to that for 1993, \$23,132.67, is 1.0268391. Multiplying the 1995 domestic employee coverage threshold amount of \$1,000 by the ratio of 1.0268391 produces the amount of \$1,026.84, which must then be rounded to \$1,000. Accordingly, the domestic employee coverage threshold amount is determined to be \$1,000 for 1996.

(Catalog of Federal Domestic Assistance: Program Nos. 96.001 Social Security-Disability Insurance; 96.002 Social Security-Retirement Insurance; 96.003 Social Security-Special Benefits for Persons Aged 72 and Over; 96.004 Social Security-Survivors Insurance; 96.006 Supplemental Security Income.)

Dated: October 18, 1995.

Shirley S. Chater,
Commissioner, Social Security
Administration.

[FR Doc. 95-26426 Filed 10-24-95; 8:45 am]
BILLING CODE 4190-29-P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Application of Seaborne Aviation, Inc. for Certificate Authority

AGENCY: Department of Transportation.

ACTION: Notice of Order to Show Cause (Order 95-10-30), Docket 50360.

SUMMARY: The Department of Transportation is directing all interested persons to show cause why it should not issue an order finding Seaborne Aviation, Inc., fit, willing, and able and awarding it a certificate of public convenience and necessity to engage in interstate scheduled air transportation of persons, property, and mail.

DATES: Persons wishing to file objections should do so no later than November 9, 1995.

ADDRESSES: Objections and answers to objections should be filed in Docket 50360 and addressed to the Documentary Services Division (C-55, Room PL-401), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590 and should be served upon the parties listed in Attachment A to the order.

FOR FURTHER INFORMATION CONTACT: Ms. Kathy Lusby Cooperstein, Air Carrier Fitness Division (X-56, Room 6401), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590, (202) 366-2337.

Dated: October 19, 1995.

Patrick V. Murphy,
Assistant Secretary for Aviation and
International Affairs.
[FR Doc. 95-26485 Filed 10-24-95; 8:45 am]
BILLING CODE 4910-62-U

Federal Aviation Administration

[Summary Notice No. PE-95-37]

Petitions for Exemption; Summary of Petitions Received; Dispositions of Petitions Issued

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of petitions for exemption received and of dispositions of prior petitions.

SUMMARY: Pursuant to FAA's rulemaking provisions governing the application, processing, and disposition of petitions for exemption (14 CFR Part 11), this notice contains a summary of certain petitions seeking relief from specified requirements of the Federal Aviation Regulations (14 CFR Chapter I), dispositions of certain petitions previously received, and corrections. The purpose of this notice is to improve the public's awareness of, and participation in, this aspect of FAA's regulatory activities. Neither publication of this notice nor the inclusion or omission of information in the summary