
Indexing Factors For Earnings

Automatic

Determinations

Average wage index

Examples of indexed earnings

Indexing earnings

When we compute a person's benefit, we use the national average wage indexing series to index that person's earnings. Such indexation ensures that a worker's future benefits reflect the general rise in the standard of living that occurred during his or her working lifetime.

Eligibility and indexing

Wage indexing depends on the year in which a person is first eligible to receive benefits. For retirement, eligibility is at age 62. So if a person reaches age 62 in 2025, then 2025 is the person's year of eligibility.

An individual's earnings are always indexed to the average wage level two years prior to the year of first eligibility. Thus, for a person retiring at age 62 in 2025, the person's earnings would be indexed to the average wage index for 2023 (66,621.80). Earnings in a year before 2023 would be multiplied by the ratio of 66,621.80 to the average wage index for that year; earnings in 2023 or later would be taken at face value.

A person's indexed earnings are used to calculate an average indexed monthly earnings (AIME) amount. We use this AIME amount to compute the person's primary insurance amount.

Year of eligibility

Note: If you select a year after 2025, we will use average wage changes that were estimated under the intermediate assumptions in the latest Trustees Report.

Enter the
year of eligibility

for which you want indexing factors

2025

Submit request