

## § 404.143

employment income you derived during a taxable year that began before 1978 to calendar quarters as follows:

(a) If your taxable year was a calendar year, we credit your self-employment income equally to each quarter of that calendar year.

(b) If your taxable year was not a calendar year (that is, it began on a date other than January 1, or was less than a calendar year), we credit your self-employment income equally—

(1) To the calendar quarter in which your taxable year ended; and

(2) To each of the next three or fewer preceding quarters that were wholly or partly in your taxable year.

### § 404.143 How we credit quarters of coverage for calendar years after 1977.

(a) *Crediting quarters of coverage (QCs).* For calendar years after 1977, we credit you with a QC for each part of the total wages paid and self-employment income credited (under § 404.144) to you in a calendar year that equals the amount required for a QC in that year. For example, if the total of your wages and self-employment income for a calendar year is more than twice, but less than 3 times, the amount required for a QC in that year, we credit you with only 2 QCs for the year. The rules for crediting QCs in this section are subject to the limitations in § 404.146, which tells when a calendar quarter cannot be a QC. In addition, we cannot credit you with more than four QCs for any calendar year. The amount of wages and self-employment income that you must have for each QC is—

(1) \$250 for calendar year 1978; and

(2) For each calendar year after 1978, an amount determined by the Commissioner for that year (on the basis of a formula in section 213(d)(2) of the Act which reflects national increases in average wages). The amount determined by the Commissioner is published in the FEDERAL REGISTER on or before November 1 of the preceding year and included in the appendix to this subpart.

(b) *Assigning QCs.* We assign a QC credited under paragraph (a) of this section to a specific calendar quarter in the calendar year only if the assignment is necessary to—

## 20 CFR Ch. III (4–1–02 Edition)

(1) Give you fully or currently insured status;

(2) Entitle you to a computation or recomputation of your primary insurance amount; or

(3) Permit you to establish a period of disability.

[45 FR 25834, Apr. 15, 1980, as amended at 62 FR 38450, July 18, 1997]

### § 404.144 How we credit self-employment income to calendar years for taxable years beginning after 1977.

In crediting quarters of coverage under § 404.143(a), we credit self-employment income you derived during a taxable year that begins after 1977 to calendar years as follows:

(a) If your taxable year is a calendar year or begins and ends within the same calendar year, we credit your self-employment income to that calendar year.

(b) If your taxable year begins in one calendar year and ends in the following calendar year, we allocate proportionately your self-employment income to the two calendar years on the basis of the number of months in each calendar year which are included completely within your taxable year. We consider the calendar month in which your taxable year ends as included completely within your taxable year.

*Example:* For the taxable year beginning May 15, 1978, and ending May 14, 1979, your self-employment income is \$1200. We credit 7/12 (\$700) of your self-employment income to calendar year 1978 and 5/12 (\$500) of your self-employment income to calendar year 1979.

### § 404.145 When you acquire a quarter of coverage.

If we credit you with a quarter of coverage (QC) for a calendar quarter under paragraph (b), (c), or (d) of § 404.141 for calendar years before 1978 or assign it to a specific calendar quarter under paragraph (b) of § 404.143 for calendar years after 1977, you acquire the QC as of the first day of the calendar quarter.

### § 404.146 When a calendar quarter cannot be a quarter of coverage.

This section applies when we credit you with quarters of coverage (QCs) under § 404.141 for calendar years before 1978 and under § 404.143 for calendar

**Social Security Administration**

**§ 404.201**

years after 1977. We cannot credit you with a QC for—

- (a) A calendar quarter that has not begun;
- (b) A calendar quarter that begins after the quarter of your death;
- (c) A calendar quarter that has already been counted as a QC; or
- (d) A calendar quarter that is included in a period of disability established for you, unless—
  - (1) The quarter is the first or the last quarter of this period; or
  - (2) The period of disability is not taken into consideration (see § 404.320(a)).

**APPENDIX TO SUBPART B OF PART 404—  
QUARTER OF COVERAGE AMOUNTS  
FOR CALENDAR YEARS AFTER 1978**

This appendix shows the amount determined by the Commissioner that is needed for a quarter of coverage for each year after 1978 as explained in § 404.143. We publish the amount as a Notice in the FEDERAL REGISTER on or before November 1 of the preceding year. The amounts determined by the Commissioner are as follows:

Calendar year	Amount needed
1979 .....	\$260
1980 .....	290
1981 .....	310
1982 .....	340
1983 .....	370
1984 .....	390
1985 .....	410
1986 .....	440
1987 .....	460
1988 .....	470
1989 .....	500
1990 .....	520
1991 .....	540
1992 .....	570

[45 FR 25384, Apr. 15, 1980, as amended at 52 FR 8247, Mar. 17, 1987; 57 FR 44096, Sept 24, 1992; 62 FR 38450, July 18, 1997]

**Subpart C—Computing Primary Insurance Amounts**

**AUTHORITY:** Secs. 202(a), 205(a), 215, and 702(a)(5) of the Social Security Act (42 U.S.C. 402(a), 405(a), 415, and 902(a)(5)).

**SOURCE:** 47 FR 30734, July 15, 1982, unless otherwise noted.

GENERAL

**§ 404.201 Introduction.**

In this subpart we describe how we compute your primary insurance amount, which is the first step in finding your monthly social security benefit amount. Your primary insurance amount is the basic figure we use in finding the monthly benefit actually payable to you and to members of your family. For example, if you retire at age 65 or become disabled, your monthly benefit is equal to your primary insurance amount. In other situations, your benefit does not equal your primary insurance amount. For example, if you become entitled to old-age benefits before you reach age 65, your benefit is less than your primary insurance amount, as described in §§ 404.410 through 404.413. Benefits payable to members of your family are a specified percentage of your primary insurance amount. (See subpart D.) We explain how we automatically increase your primary insurance amount to keep it up to date with rises in the cost of living. We also explain how and when we recompute your primary insurance amount and how and when we recalculate your primary insurance amount. We have organized this subpart as follows:

- (a) In §§ 404.210 through 404.212, we describe the average-indexed-monthly-earnings method we use for computing primary insurance amounts of workers who after 1978 reach age 62, or become disabled or die before age 62;
- (b) In §§ 404.220 through 404.222, we describe the average-monthly-wage method we use for computing primary insurance amounts of workers who reach age 62, become disabled, or die before 1979;
- (c) In §§ 404.230 through 404.233, we describe the guaranteed alternative method of computing primary insurance amounts that applies to people who reach age 62 after 1978 but before 1984;
- (d) In §§ 404.240 through 404.242, we describe a method of computing primary insurance amounts (called the old-start method) for people who had all or substantially all their social security earnings before 1951;