§ 404.210 Average-indexed-monthly-earnings method.

(a) Who is eligible for this method. If after 1978, you reach age 62, or become disabled or die before age 62, we will compute your primary insurance amount under the average-indexed-monthly-earnings method.

(b) Steps in computing your primary insurance amount under the average-indexed-monthly-earnings method. We follow these three major steps in computing your primary insurance amount:

(1) First, we find your average indexed monthly earnings, as described in §404.211;

(2) Second, we find the benefit formula in effect for the year you reach age 62, or become disabled or die before age 62, as described in §404.212; and

(3) Then, we apply that benefit formula to your average indexed monthly earnings to find your primary insurance amount.

(c) Special methods.

(1) Your primary insurance amount, computed under any of the special methods for which you are eligible as described in this paragraph, may be substituted for your primary insurance amount computed under either major method described in paragraph (b) of this section.

(2) If you reach age 62 during the period 1979–1983, your primary insurance amount is guaranteed to be the highest of—

(i) The primary insurance amount we compute for you under the average-indexed-monthly-earnings method;

(ii) The primary insurance amount we compute for you under the average-monthly-wage method, as modified by the rules described in §§404.220 through 404.222; or

(iii) The primary insurance amount computed under what we call the old-start method; as described in §§404.240 through 404.242.

(3) If you had all or substantially all of your social security earnings before 1951, we will also compute your primary insurance amount under what we call the old-start method.

(4) We compute your primary insurance amount under the rules in §§404.250 through 404.252, if—

(i) You were disabled and received social security disability insurance benefits sometime in your life:

(ii) Your disability insurance benefits were terminated because of your recovery or because you engaged in substantial gainful activity; and

(iii) You are, after 1978, re-entitled to disability insurance benefits, or entitled to old-age insurance benefits, or have died.

(5) In some situations, we use what we call a special minimum computation, described in §§404.260 through 404.261, to find your primary insurance amount. Computations under this method reflect long-term, low-wage attachment to covered work.