

Social Security COLA Increase

Cross References

- www.ssa.gov

The Social Security Administration has announced that Social Security and Supplemental Security Income (SSI) benefits will increase by 2.8% for 2019. The chart below identifies key figures that are affected by the annual Cost-of-Living Adjustment (COLA) for the years 2017 through 2019.

| Social Security and Medicare Highlights | | | |
|---|--------------|--------------|--------------|
| | 2019 | 2018 | 2017 |
| Social Security Benefits (COLA) increase. | 2.8% | 2.0% | 0.30% |
| Maximum earnings subject to | | | |
| Social Security tax | \$132,900.00 | \$128,400.00 | \$127,200.00 |
| Medicare tax | No Limit | No Limit | No Limit |
| Maximum Social Security tax | | | |
| Employee | \$8,239.80 | \$7,960.80 | \$7,886.40 |
| Self-employed | \$16,479.60 | \$15,921.60 | \$15,772.80 |
| Maximum Medicare tax | No Limit | No Limit | No Limit |
| Social Security tax rate | | | |
| Employee | 6.20% | 6.20% | 6.20% |
| Self-employed | 12.40% | 12.40% | 12.40% |
| Medicare tax rate ⁵ | | | |
| Employee | 1.45% | 1.45% | 1.45% |
| Self-employed | 2.90% | 2.90% | 2.90% |
| Earnings needed for one quarter of coverage. | \$1,360.00 | \$1,320.00 | \$1,300.00 |
| Maximum earnings and still receive full Social Security benefits. | | | |
| Under full retirement age ¹ | \$17,640.00 | \$17,040.00 | \$16,920.00 |
| Year of full retirement age ² | \$46,920.00 | \$45,360.00 | \$44,880.00 |
| Full retirement age ³ | No limit | No limit | No limit |
| Maximum Social Security monthly benefits at full retirement age. | \$2,861.00 | \$2,788.00 | \$2,687.00 |
| Medicare premiums ⁴ | | | |
| Part A (per month) | | \$422.00 | \$413.00 |
| Part B (per month) | | \$134.00 | \$134.00 |
| Hospital deductible | | \$1,340.00 | \$1,316.00 |

¹ \$1 in benefits is withheld for every \$2 in earnings above limit.

² Applies only to earnings for months prior to attaining full retirement age. \$1 in benefits is withheld for every \$3 in earnings above the limit.

³ A person born in either 1951, 1952, or 1953 will reach full retirement age in 2017, 2018, or 2019 at age 66.

⁴ The Department of Health and Human Services has not yet announced Medicare premium changes for 2019. Standard monthly premiums are listed for 2017 and 2018. High income taxpayers may be subject to higher premiums.

⁵ Medicare tax rate increases by 0.9% on wages and SE income above the threshold amount, plus 3.8% on unearned income above the threshold amount.