

## 2010 SOCIAL SECURITY CHANGES

o **Cost-of-Living Adjustment (COLA):**

Monthly Social Security and Supplemental Security Income (SSI) benefits will not automatically increase in 2010 as there was no increase in the Consumer Price Index (CPI-W) from the third quarter of 2008 to the third quarter of 2009. Other important 2010 Social Security information is as follows:

	<u>2009</u>	<u>2010</u>
o <b><u>Maximum Taxable Earnings:</u></b>		
Social Security (OASDI only)	\$106,800	\$106,800*
Medicare (HI only)	N o L i m i t	
o <b><u>Quarter of Coverage:</u></b>		
	\$1,090	\$1,120
o <b><u>Retirement Earnings Test Exempt Amounts:</u></b>		
Under full retirement age	\$14,160/yr. (\$1,180/mo.)	\$14,160/yr.* (\$1,180/mo.)

NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year an individual reaches full retirement age	\$37,680/yr. (\$3,140/mo.)	\$37,680/yr.* (\$3,140/mo.)
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NOTE: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.

There is no limit on earnings beginning the month an individual attains full retirement age.

o **Social Security Disability Thresholds:**

Substantial Gainful Activity (SGA)		
Non-Blind	\$ 980/mo.	\$ 1,000/mo.
Blind	\$1,640/mo.	\$1,640/mo.*
Trial Work Period (TWP)	\$ 700/mo.	\$ 720/mo.

o **SSI Federal Payment Standard:**

Individual	\$674/mo.	\$674/mo.*
Couple	\$1,011/mo.	\$1,011/mo.*

o **SSI Student Exclusion:**

Monthly limit	\$1,640	\$1,640*
Annual limit	\$6,600	\$6,600*

- Because there is no COLA, by statute these amounts remain unchanged in 2010.

Obtain Medicare info on-line at <http://www.cms.gov/>, <http://www.medicare.gov/>, or <http://www.hhs.gov/> Find out more about the Prescription Drug Plans by phoning 1-800-633-4227 (1-800-MEDICARE) or TTY users dial 1-877-486-2048.

All Medicare beneficiaries may sign up or join the private Medicare-approved prescription drug plan of their choice by contacting that plan. Retirement is not required.

**Find your "full retirement age" (FRA) here:**

Birth Year	"Full Retirement Age"
1938	65 years and 2 months
1939	65 years and 4 months
1940	65 years and 6 months
1941	65 years and 8 months
1942	65 years and 10 months
1943 – 1954 *	66 years
1955	66 years and 2 months
1956	66 years and 4 months
1957	66 years and 6 months
1958	66 years and 8 months
1959	66 years and 10 months
1960 on	67 years

If you were born on the first of the year use the "full retirement age" listed for the previous year.

MEDICARE becomes available at 65 without the need to retire. Medicare is also available for those qualified for disability benefits after 24 months.

Even if you decide to delay retirement, enroll in at least Medicare's Hospital Insurance (Part A) effective for age 65. In some circumstances, Medical Insurance (Part B) and Prescription Drug Plans cost more and there is a delay in coverage if you delay enrollment.

Inquire for details before making a decision.

**Delayed Retirement Credits:**

If you decide to continue working beyond your "full retirement age", you can increase your retirement benefit in two ways.

Each additional year you work adds another year of earnings to your record. Since your benefit is based on a *lifetime earnings average* using a fixed number of years, your current, higher year's earnings *may* result in a higher benefit.

In addition, your benefit will be increased by a certain percentage if you delay retirement. These increases will be added in automatically from the time you reach your "full retirement age" (FRA) until you start taking your benefits, or you reach age 70. The percentage varies depending on your year of birth.

The chart below shows the increases for delayed retirement:

Birth Year	Yearly Rate of Increase
1917—1924	3%
1925—1926	3.5%
1927—1928	4%
1929—1930	4.5%
1931—1932	5%
1933—1934	5.5%
1935---1936	6%
1937---1938	6.5%
1939---1940	7%
1941—1942	7.5%
1943 or later	8%