2016 Social Security Changes

Cost-of-Living Adjustment (COLA):

Because there is no COLA, by law these amounts remain unchanged in 2016

Maximum Taxable Earnings:	<u>2015</u>	<u>2016</u>
Social Security (OASDI only)	\$118,500	\$118,500
Medicare (HI only)	No Limit	

Quarter of Coverage:	<u>2015</u>	<u>2016</u>
Earnings needed to earn one Social Security Credit	\$1,220	\$1,260

Retirement Earnings Test Exempt Amounts:	<u>2015</u>	<u>2016</u>
Under full retirement age NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.	\$15,720/yr. (\$1,310/mo.)	\$15,720/yr. (\$1,310/mo.)
The year an individual reaches full retirement age 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	\$41,880/yr. (\$3,490/mo.)	\$41,880/yr. (\$3,490/mo.)

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

Maximum Social Security Benefit:	<u>2015</u>	<u>2016</u>
Worker Retiring at Full Retirement Age	\$2,663/mo.	\$2,639/mo*

Social Security Disability Thresholds:		<u>2015</u>	<u>2016</u>
Substantial Gainful Activity (SGA)Non-Blind		\$1,090/mo.	\$1,130/mo.
	Blind	\$1,820/mo.	\$1,820/mo.
Trial Work Period (TWP)		\$780/mo.	\$810/mo.

SSI Federal Payment Standard:	<u>2015</u>	<u>2016</u>
Individual	\$733/mo.	\$733/mo.
Couple	\$1,100/mo.	\$1,100/mo.

SSI Student Exclusion:	<u>2015</u>	<u>2016</u>
Monthly limit	\$1,780	\$1,780
Annual limit	\$7,180	\$7,180

*A decrease in full maximum benefits occurs when there is no COLA, but there is increase in the national average wage index.

Obtain Medicare info online at <u>http://www.cms.gov</u>, <u>http://www.medicare.gov</u> or <u>http://www.hhs.gov</u>. Find out more about the Prescription Drug Plans by phoning -800-633-4227 (1-800-MEDICARE) or TTY users dial 1-877-486-2048. Affordable Care Act info is available from the Health Insurance Marketplace at 1-800-318-2596, TTY/TDD 1-855-889-4325 or online at <u>www.HealthCare.gov</u>. The Affordable Care Act is not Medicare. It is a new way for individuals, families, and employees of small business to get private health insurance sometimes on a subsidized basis depending on income and resources.

Find your "full retirement age" (FRA) here:				
Birth Year	"Full Retirement Age"			
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	8			
-				

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. **Details are available in the "Medicare and You 2015" handbook, and online at:** www.socialsecurity.gov/pubs/10043.html

Enroll in Medicare online at:

http://www.socialsecurity.gov

All Medicare beneficiaries may sign up or join the <u>private</u> Medicareapproved prescription drug plan of their choice by contacting that plan. Retirement is not required.

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
19371938	6.5%
19391940	7%
1941—1942	7.5%
1943 or later	8%

Finance Provisions :		Employee/E	yee/Employer(each) Self-employed		oloyed
Effective Date	Tax Base	Tax Rate	Tax on base	Tax Rate	Tax on base
1/1/2010	\$106,800	7.65%	\$8,170.20	15.3%	\$16,340.40.
1/1/2011	\$106,800				
1/1/2012	\$110,100				
1/1/2013	\$113,700	7.65%	\$8,698.05	15.3%	\$17,396.10
1/1/2014	\$117,000	7.65%	\$8,850.50	15.3%	\$17,901.
1/1/2015	\$118,500	7.65%	\$9,065.25	15.3%	\$18,130.50
1/1/2016	\$118,500	7.65%	\$9,065.25	15.3%	\$18,130.50

NOTE: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (tax base). The Medicare portion (HI) is 1.45% on all earnings. The HI payroll tax rate will increase by 0.9 percentage point for individuals with incomes above \$200,000 and families above \$250,000. Section 601 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 reduced, for wages and salaries paid and self-employment income in calendar year 2011, the OASDI payroll tax by 2 percentage points, applied to the portion of the tax paid by the <u>worker and the self-employed individual</u> (not the employer portion). The Middle Class Tax Relief and Job Creation Act extended the tax cut through Dec. 31, 2012 and has now expired.

Direct Deposit: The mandatory, preferred, secure, convenient way to receive benefits!

Arrange for direct deposit of your benefits at the financial institution of your choice, or by phoning 1-800-772-1213. Provide your Social Security claim #, your financial institution's routing # and your account #. Keep us informed about any mailing address change, so you will continue to receive important notices about your Social Security benefits. Direct deposit of benefits is normally required. Call Direct Express 1-877-212-9991 for a debit card if you do not have a banking connection. Quarter of Coverage: 2015 1,220; 2014 \$1,200; 2013 \$1,160; 2012 \$1,130; 2010 & 2011 \$1,120 Social Security Matters in your future!