

What's New for Social Security?

Whether you're applying for Social Security in the future or currently receiving benefits, there are some important changes to earnings limits, Medicare premiums, and other differences to keep in mind. Ready to learn more? Read on.

Ready for a Cost-of-Living (COLA) increase?

That's right! Due to an increase in the Consumer Price Index (CPI-W), the Social Security Administration (SSA) has made a 2.5-percent COLA Adjustment.¹

What about Tax Caps?

Employees everywhere will be happy to hear that the cap on wages subject to Social Security withholdings has increased to \$176,100.¹

Any change to earning limits?

If a working individual starts receiving Social Security payments before full retirement age, the Social Security Administration will deduct \$1 in benefits for each \$2 that person earns above an annual limit. In 2025, the income limit is \$23,400.¹

During the year in which a worker reaches full retirement age, Social Security benefit reduction falls to \$1 in benefits for every \$3 in earnings. For 2025, the limit is \$62,160 before the month the worker reaches full retirement age.¹

Are Medicare Part B Premiums Affected?

Social Security recipients will see a \$10.30 increase in Part B premiums. But Medicare beneficiaries who file joint tax returns and earn \$212,000 or more in 2025 may pay a higher premium.²

How much do I need to earn for one Social Security "credit"?

For 2025, you'll need to earn \$1,810 to earn one "credit" toward Social Security and Medicare, up from \$1,730 in 2024. What remains the same? You can only earn four credits each year, and you must earn at least 40 credits in order to qualify for benefits.³

For many, Social Security may be an important source of income during their "second act." If changes to Social Security give you pause or make you question if you are making the most of

your benefits, a qualified financial professional may be just the person you need to help you realize your retirement strategy's full potential.

1. SSA.gov, 2024
2. CMS.gov, 2024
3. SSA.gov, 2024

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