

Small 2017 COLA for Social Security Recipients



October 24, 2016

On Tuesday, October 18th, the Social Security Administration officially announced a nominal increase of 0.3% for Social Security recipients in 2017.

This is good news since earlier this year no increase for 2017 was anticipated. However, for many Social Security recipients who are also on Medicare, their SS COLA may be completely offset by increases in Medicare premiums if their Part B premium increase for 2017 is more than the dollar amount of their SS COLA, which is very likely. Increases in 2017 Medicare premiums should be announced within a few weeks; watch for another blog update at that time.

Other adjustments related to Social Security include:

Maximum Taxable Earnings Subject to Social Security Tax:

Increases from \$118,500 in 2016 to \$127,200 in 2017.

Retirement Earnings Test Exempt Amount (the amount of W-2 or Schedule C Self-Employment income an individual can make while receiving SS prior to Full Retirement Age (FRA) without having their SS reduced):

For individuals under SS FRA, increased from \$15,720 per year (\$1,310/mo.) in 2016 to \$16,920 per year (\$1,410/mo.) in 2017*

* Note: \$1.00 in SS benefits will be withheld for every \$2 earned above this limit

In the year an individual reaches FRA, increased from \$41,880 per year (\$3,490/mo.) in 2016 to \$44,880 per year (\$3,740/mo.) in 2017**

**Note: This only applies to earnings in months prior to attaining FRA, in which case \$1 in SS benefits will be withheld for every \$3 earned above this limit.

As always, please feel free to call or email me if I can assist you with any of your Social Security or Medicare related questions, or if we can help you in any way.

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