

## **Social Security Benefits to Inch Up 1.7 Percent in 2015**

The nation's elderly and disabled Social Security recipients will receive a 1.7 percent increase in payments in 2015. This is expected to raise the average monthly payment for the typical retired worker by \$22. The increase is slightly higher than last year's 1.5 percent cost-of-living adjustment (COLA). The same COLA will apply to pensions for federal government retirees and to most veterans.

As was the case last year, the small rise in benefits will not be whittled down by a Medicare premium increase because the standard Medicare Part B monthly premium will remain \$104.90 in 2015, the same as it was in 2014. Most Medicare recipients have their premiums deducted from their Social Security payments.

For those who receive nursing home benefits under Medicaid, or in-home services through Medicaid Waiver in Indiana, the state has also raised the Special Income Limit (SIL) to \$2,199 for 2015. If your income is above this limit and you are receiving these services, and do not already have a Qualified Income Trust (also known as a Miller Trust) established, please contact our office for a review of your situation.

### **The COLA by the Numbers**

Starting in January 2015, the average monthly Social Security retirement payment will rise from \$1,306 to \$1,328 a month for individuals and from \$2,140 to \$2,176 for couples. The 1.7 percent increase will apply to both elderly and disabled Social Security recipients, and individuals who receive both disability and retirement Social Security will see increases in both types of benefits. The maximum Social Security benefit for a worker retiring at full retirement age, which is age 66 for those born between 1943 and 1954, will be \$2,663 a month.

The Social Security COLA also raises the maximum amount of earnings subject to Social Security taxation to \$118,500 from \$117,000. This means that those earning incomes above \$118,500 will pay no tax on any income above that threshold.

The COLA increases the amount early retirees can earn without seeing a cut in their Social Security checks. Although there is no limit on outside earnings beginning the month an individual attains full retirement age, those who choose to begin receiving Social Security benefits before their full retirement age may have their benefits reduced, depending on how much other income they earn.

Early beneficiaries who will reach their full retirement age after 2015 may now earn \$15,720 a year before Social Security payments are reduced by \$1 for every \$2 earned above the limit. Those early beneficiaries who will attain their full retirement age in 2015 will have their benefits reduced \$1 for every \$3 earned if their income exceeds \$41,880 in the months prior to the month they reach their full retirement age.

For 2015, the monthly federal Supplemental Security Income (SSI) payment standard will be \$733 for an individual and \$1,100 for a couple.