

**Question:**

Has Social Security announced the Cost of Living Adjustment for next year?

**Answer:**

Monthly Social Security and Supplemental Security Income (SSI) benefits for nearly 64 million Americans will increase 1.7 percent in 2015, the Social Security Administration announced today. The 1.7 percent cost-of-living adjustment (COLA) will begin with benefits that more than 58 million Social Security beneficiaries receive in January 2015.

Increased payments to more than 8 million SSI beneficiaries will begin on December 31, 2014. The Social Security Act ties the annual COLA to the increase in the Consumer Price Index as determined by the Department of Labor's Bureau of Labor Statistics. Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$118,500 from \$117,000. Information about Medicare changes for 2015 is available at [www.Medicare.gov](http://www.Medicare.gov).

The Social Security Act provides for how the COLA is calculated. The purpose of the COLA is to ensure that the purchasing power of Social Security and Supplemental Security Income (SSI) benefits is not eroded by inflation. It is based on the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of the last year a COLA was determined to the third quarter of the current year.

If there is no increase, there can be no COLA. To read more, please visit [www.socialsecurity.gov/cola](http://www.socialsecurity.gov/cola). The 2015 COLA announcement comes on the heels of the good news regarding the 2015 Part B Medicare premium remaining the same at \$104.90 per month. Together, these announcements mean that Social Security and SSI recipients retain more of their monthly benefits to meet their daily needs.

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