



Fact Sheet

SOCIAL SECURITY

2010 SOCIAL SECURITY CHANGES

o **Cost-of-Living Adjustment (COLA):**

Monthly Social Security and Supplemental Security Income (SSI) benefits will not automatically increase in 2010 as there was no increase in the Consumer Price Index (CPI-W) from the third quarter of 2008 to the third quarter of 2009. Other important 2010 Social Security information is as follows:

	<u>2009</u>	<u>2010</u>
o <u>Maximum Taxable Earnings:</u>		
Social Security (OASDI only)	\$106,800	\$106,800*
Medicare (HI only)	No Limit	
o <u>Quarter of Coverage:</u>	\$1,090	\$1,120
o <u>Retirement Earnings Test Exempt Amounts:</u>		
Under full retirement age	\$14,160/yr. (\$1,180/mo.)	\$14,160/yr.* (\$1,180/mo.)

NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year an individual reaches full retirement age	\$37,680/yr. (\$3,140/mo.)	\$37,680/yr.* (\$3,140/mo.)
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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.

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

o **Social Security Disability Thresholds:**

Substantial Gainful Activity (SGA)

Non-Blind	\$ 980/mo.	\$ 1,000/mo.
Blind	\$1,640/mo.	\$1,640/mo.*
Trial Work Period (TWP)	\$ 700/mo.	\$ 720/mo.

o **SSI Federal Payment Standard:**

Individual	\$674/mo.	\$674/mo.*
Couple	\$1,011/mo.	\$1,011/mo.*

o **SSI Student Exclusion:**

Monthly limit	\$1,640	\$1,640*
Annual limit	\$6,600	\$6,600*

* Because there is no COLA, by statute these amounts remain unchanged in 2010.



News Release

SOCIAL SECURITY

Prompt Passage of Economic Recovery Act Payment for 2010 Needed

Law Does Not Provide for a Social Security Cost-of-Living Adjustment for 2010

With consumer prices down over the past year, monthly Social Security and Supplemental Security Income benefits for more than 57 million Americans will not automatically increase in 2010. This will be the first year without an automatic Cost-of-Living Adjustment (COLA) since they went into effect in 1975.

“Social Security is doing its job helping Americans maintain their standard of living,” Michael J. Astrue, Commissioner of Social Security said. “Last year when consumer prices spiked, largely as a result of higher gas prices, beneficiaries received a 5.8 percent COLA, the largest increase since 1982. This year, in light of the human need, we need to support President Obama’s call for us to make another \$250 recovery payment for 57 million Americans.”

The Social Security Act provides that Social Security and Supplemental Security Income benefits increase automatically each year if there is an increase in the Bureau of Labor Statistics' *Consumer Price Index for Urban Wage Earners and Clerical Workers* (CPI-W) from the third quarter of the last year to the third quarter of the current year. This year there was no increase in the CPI-W from the third quarter of 2008 to the third quarter of 2009. In addition, because there was no increase in the CPI-W this year, under the law the starting point for determinations regarding a possible 2011 COLA will remain the third quarter of 2008.

Some other changes that would normally take effect in January 2010 based on the increase in average wages also will not take effect, even though average wages did increase. Since there is no COLA, the statute prohibits an increase in the maximum amount of earnings subject to the Social Security tax as well as the retirement earnings test exempt amounts. These amounts will remain unchanged in 2010. The attached fact sheet provides more information on 2010 Social Security changes.

Information about Medicare changes for 2010, when available, will be found at www.Medicare.gov. The Department of Health and Human Services has not yet announced if there will be any Medicare premium changes for 2010. Should there be an increase in the Medicare Part B premium, the law contains a “hold harmless” provision that protects about 93 percent of Social Security beneficiaries from paying a higher Part B premium, in order to avoid reducing their net Social Security benefit. Those not protected include higher income beneficiaries

subject to an income-adjusted Part B premium and beneficiaries newly entitled to Part B in 2010. On September 24th, the House passed legislation by 406-18 that would, on a fully paid-for basis, prevent abnormally large premium increases. The President is calling on the Senate to enact this legislation before it becomes too late for the Social Security Administration to update its computer systems to implement this needed change.

For additional information about the 2010 COLA, go to www.socialsecurity.gov/cola.

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History of Automatic Cost-Of-Living Adjustments

Automatic benefit increases, also known as cost-of-living adjustments or COLAs, have been in effect since 1975. The 1975-82 COLAs were effective with Social Security benefits payable for June (received by beneficiaries in July) in each of those years; thereafter COLAs have been effective with benefits payable for December (received by beneficiaries in January). COLAs received in 1975-2010 are shown below.

Automatic Cost-Of-Living Adjustments

July 1975	8.0%	January 1988	4.2%	January 2000	2.5%
July 1976	6.4%	January 1989	4.0%	January 2001	3.5%
July 1977	5.9%	January 1990	4.7%	January 2002	2.6%
July 1978	6.5%	January 1991	5.4%	January 2003	1.4%
July 1979	9.9%	January 1992	3.7%	January 2004	2.1%
July 1980	14.3%	January 1993	3.0%	January 2005	2.7%
July 1981	11.2%	January 1994	2.6%	January 2006	4.1%
July 1982	7.4%	January 1995	2.8%	January 2007	3.3%
January 1984	3.5%	January 1996	2.6%	January 2008	2.3%
January 1985	3.5%	January 1997	2.9%	January 2009	5.8%
January 1986	3.1%	January 1998	2.1%	January 2010	0.0%
January 1987	1.3%	January 1999	1.3%		

¹ The COLA for December 1999 was originally determined as 2.4 percent based on CPIs published by the Bureau of Labor Statistics. Pursuant to Public Law 106-554, however, this COLA is effectively now 2.5 percent.

The first automatic COLA, for June 1975, was based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the second quarter of 1974 to the first quarter of 1975. The 1976-82 COLAs were based on increases in the CPI-W from the first quarter of the prior year to the corresponding quarter of the current year in which the COLA became effective. After 1982, COLAs have been based on increases in the CPI-W from the third quarter of the prior year to the corresponding quarter of the current year in which the COLA became effective.

MEMBER OF A COUPLE	Disabled	\$337.00	\$97.09	\$434.09
	Blind	\$337.00	\$468.74	\$823.74

Living Arrangement E – LICENSED REST HOME

	BENEFIT TYPE	FEDERAL BENEFIT	STATE SUPPLEMENT	TOTAL
INDIVIDUAL	Aged	\$674.00	\$293.00	\$967.00
	Disabled	\$674.00	\$293.00	\$967.00
	Blind	\$674.00	\$149.74	\$823.74
MEMBER OF A COUPLE	Aged	\$505.50	\$461.50	\$967.00
	Disabled	\$505.50	\$461.50	\$967.00
	Blind	\$505.50	\$318.74	\$823.74

Living Arrangement F – RESIDENT OF A TITLE XIX FACILITY WHERE MEDICAID PAYS MORE THAN 50 % OF COST OF CARE

	BENEFIT TYPE	FEDERAL BENEFIT	STATE SUPPLEMENT	TOTAL
INDIVIDUAL	Aged	\$30.00	\$42.80	\$72.80
	Disabled	\$30.00	\$42.80	\$72.80
	Blind	\$30.00	\$42.80	\$72.80
MEMBER OF A COUPLE	Aged	\$30.00	\$42.80	\$72.80
	Disabled	\$30.00	\$42.80	\$72.80
	Blind	\$30.00	\$42.80	\$72.80

Living Arrangement G – ASSISTED LIVING

	BENEFIT TYPE	FEDERAL BENEFIT	STATE SUPPLEMENT	TOTAL
INDIVIDUAL	Aged	\$674.00	\$454.00	\$1128.00
	Disabled	\$674.00	\$454.00	\$1128.00
	Blind	\$674.00	\$454.00	\$1128.00
MEMBER OF A COUPLE	Aged	\$505.50	\$340.50	\$846.00
	Disabled	\$505.50	\$340.50	\$846.00
	Blind	\$505.50	\$340.50	\$846.00

2008 SSI and SSDI Threshold Amounts

SSI Resource Limit - Individual	\$2000.00
SSI Resource Limit - Couple	\$3000.00
SSI Federal Benefit Limit - Individual	\$674.00
SSI Federal Benefit Limit - Couple	\$1011.00
SSI Child Allocation	\$ 337.00

SSI Student Earned Income Exclusion	\$1640.00/month up to \$6600.00/year
Value of 1/3 Reduction (reduction in FBR applied when individual/couple lives throughout a month in another person's household and receives both food and shelter from others living in the household)	\$244.67 (individual) 357.00 (couple)
Substantial Gainful Activity — Disabled	\$980.00/month
Substantial Gainful Activity — Blind	\$1640.00/month
SSDI Trial Work Month	\$700.00
SSDI Cost of 1 Quarter of Coverage	\$1090.00 (\$4360/year for 4 QC)
Maximum Monthly Social Security Retirement Benefit (full retirement age)	\$2323.00
Maximum Taxable Earnings (amount of earnings subject to FICA taxes to fund Social Security Retirement, Disability and Survivors benefits)	\$106,800.00
Medicare Part B Premium	\$96.40/month (higher if income > \$82,000/year)

Produced by Disability Law Center
Last updated January 2009



Automatic Increases

Substantial Gainful Activity

Automatic Increases

Determinations:

- SGA for blind
- SGA for non-blind disabled

Wage-indexed amounts

To be eligible for disability benefits, a person must be unable to engage in substantial gainful activity (SGA). A person who is earning more than a certain monthly amount (net of impairment-related work expenses) is ordinarily considered to be engaging in SGA. The amount of monthly earnings considered as SGA depends on the nature of a person's disability. The Social Security Act specifies a higher SGA amount for statutorily blind individuals; Federal regulations specify a lower SGA amount for non-blind individuals. Both SGA amounts increase with increases in the national average wage index.

Amounts for 2009

The monthly SGA amount for statutorily blind individuals for 2009 is \$1,640. For non-blind individuals, the monthly SGA amount for 2009 is \$980. SGA for the blind does *not* apply to Supplemental Security Income (SSI) benefits, while SGA for the non-blind disabled applies to Social Security and SSI benefits. See historical series of SGA amounts below.

Trial work period

After a person becomes eligible for disability benefits, the person may attempt to return to the work force. As an incentive, we provide a trial work period in which a beneficiary may have earnings and still collect benefits.

Monthly substantial gainful activity amounts by disability type

Year	Non-blind	Blind	Year	Non-blind	Blind	Year	Non-blind	Blind
1975	\$200	\$200	1990	\$500	\$780	2005	\$830	\$1,380
1976	230	230	1991	500	810	2006	860	1,450
1977	240	240	1992	500	850	2007	900	1,500
1978	260	333	1993	500	880	2008	940	1,570
1979	280	375	1994	500	930	2009	980	1,640
1980	300	417	1995	500	940			
1981	300	458	1996	500	960			
1982	300	500	1997	500	1,000			
1983	300	550	1998	500	1,050			
1984	300	580	1999	700 ^a	1,110			
1985	300	610	2000	700	1,170			
1986	300	650	2001	740	1,240			
1987	300	680	2002	780	1,300			
1988	300	700	2003	800	1,330			
1989	300	740	2004	810	1,350			

^a \$500 amount applied in the first half of 1999.



Program Development & Research

WHAT'S NEW IN 2009?

We increased the **Substantial Gainful Activity (SGA)** amount for individuals with disabilities, other than blindness, from \$940 to **\$980 for 2009**.

We increased the **SGA amount for individuals who are blind** from \$1,570 to **\$1,640 for 2009**.

We increased the monthly earnings amount that we use to determine if a month counts for the **Trial Work Period (TWP)** from \$670 to **\$700 for 2009**.

For 2009, we increased the **Supplemental Security Income (SSI) Federal Benefit Rates (FBR)** from \$637 to **\$674** for an eligible individual and from \$956 to **\$1,011** for an eligible couple.

We increased the income amounts that will have no effect on eligibility or benefits for SSI beneficiaries who are **students**. For 2009, we increased the **monthly amount** from \$1,550 to **\$1,640** and the **yearly maximum** from \$6,240 to **\$6,600**.

For 2009, the monthly Medicare Part A Hospital Insurance Base Premium is **\$443**, and the 45 percent Reduced Premium is **\$244**. The Part B Supplementary Medical Insurance monthly Base Premium is **\$96.40** which is unchanged from 2008.



Fact Sheet

SOCIAL SECURITY

2009 SOCIAL SECURITY CHANGES

o **Cost-of-Living Adjustment (COLA):**

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2007 through the third quarter of 2008, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 5.8 percent COLA for 2009. Other important 2009 Social Security information is as follows:

	<u>2008</u>	<u>2009</u>
o <u>Tax Rate:</u>		
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%

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 (see below). The Medicare portion (HI) is 1.45% on all earnings.

o **Maximum Taxable Earnings:**

Social Security (OASDI only)	\$102,000	\$106,800
Medicare (HI only)	No Limit	

o **Quarter of Coverage:**

	\$1,050	\$1,090
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o **Retirement Earnings Test Exempt Amounts:**

Under full retirement age	\$13,560/yr. (\$1,130/mo.)	\$14,160/yr. (\$1,180/mo.)
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NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year an individual reaches full retirement age	\$36,120/yr. (\$3,010/mo.)	\$37,680/yr. (\$3,140/mo.)
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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.

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

o **Social Security Disability Thresholds:**

Substantial Gainful Activity (SGA)

Non-Blind	\$ 940/mo.	\$ 980/mo.
Blind	\$1,570/mo.	\$1,640/mo.
Trial Work Period (TWP)	\$ 670/mo.	\$ 700/mo.

o **Maximum Social Security Benefit: Worker Retiring at Full Retirement Age:**

	\$2,185/mo.	\$2,323/mo.
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o **SSI Federal Payment Standard:**

Individual	\$637/mo.	\$674/mo.
Couple	\$956/mo.	\$1,011/mo.

o **SSI Resources Limits:**

Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

o **SSI Student Exclusion:**

Monthly limit	\$1,550	\$1,640
Annual limit	\$6,240	\$6,600

o **Estimated Average Monthly Social Security Benefits Payable in January 2009:**

	<u>Before 5.8% COLA</u>	<u>After 5.8% COLA</u>
All Retired Workers	\$1,090	\$1,153
Aged Couple, Both Receiving Benefits	\$1,773	\$1,876
Widowed Mother and Two Children	\$2,268	\$2,399
Aged Widow(er) Alone	\$1,051	\$1,112
Disabled Worker, Spouse and One or More Children	\$1,695	\$1,793
All Disabled Workers	\$ 1,006	\$1,064