



# Fact Sheet

## SOCIAL SECURITY

### 2020 SOCIAL SECURITY CHANGES

#### Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2018 through the third quarter of 2019, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 1.6 percent COLA for 2020. Other important 2020 Social Security information is as follows:

| <b>Tax Rate</b> | <b>2019</b> | <b>2020</b> |
|-----------------|-------------|-------------|
| 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. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes. The tax rates shown above do not include the 0.9 percent.

|  | <b>2019</b>                   | <b>2020</b>                   |
|--|-------------------------------|-------------------------------|
| <b>Maximum Taxable Earnings</b>  |                               |                               |
| Social Security (OASDI only)   | \$132,900                     | \$137,700                     |
| Medicare (HI only)   | No Limit                      |                               |
| <b>Quarter of Coverage</b>   |                               |                               |
|  | \$1,360                       | \$1,410                       |
| <b>Retirement Earnings Test Exempt Amounts</b>   |                               |                               |
| Under full retirement age  | \$17,640/yr.<br>(\$1,470/mo.) | \$18,240/yr.<br>(\$1,520/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   | \$46,920/yr.<br>(\$3,910/mo.) | \$48,600/yr.<br>(\$4,050/mo.) |
| 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. |                               |                               |
| Beginning the month an individual attains full retirement age.   | None                          |                               |

|   | 2019                        | 2020                       |
|---|-----------------------------|----------------------------|
| <b>Social Security Disability Thresholds</b>                                      |                             |                            |
| Substantial Gainful Activity (SGA)  |                             |                            |
| Non-Blind   | \$1,220/mo.                 | \$1,260/mo.                |
| Blind   | \$2,040/mo.                 | \$2,110/mo.                |
| Trial Work Period (TWP)   | \$ 880/mo.                  | \$ 910/mo.                 |
| <b>Maximum Social Security Benefit: Worker Retiring at Full Retirement Age</b>    |                             |                            |
|   | \$2,861/mo.                 | \$3,011/mo.                |
| <b>SSI Federal Payment Standard</b>   |                             |                            |
| Individual  | \$ 771/mo.                  | \$ 783/mo.                 |
| Couple  | \$1,157/mo.                 | \$1,175/mo.                |
| <b>SSI Resource Limits</b>  |                             |                            |
| Individual  | \$2,000                     | \$2,000                    |
| Couple  | \$3,000                     | \$3,000                    |
| <b>SSI Student Exclusion</b>  |                             |                            |
| Monthly limit   | \$1,870                     | \$1,900                    |
| Annual limit  | \$7,550                     | \$7,670                    |
| <b>Estimated Average Monthly Social Security Benefits Payable in January 2020</b> |                             |                            |
|   | <b>Before<br/>1.6% COLA</b> | <b>After<br/>1.6% COLA</b> |
| All Retired Workers   | \$1,479                     | \$1,503                    |
| Aged Couple, Both Receiving Benefits  | \$2,491                     | \$2,531                    |
| Widowed Mother and Two Children   | \$2,889                     | \$2,935                    |
| Aged Widow(er) Alone  | \$1,398                     | \$1,421                    |
| Disabled Worker, Spouse and One or More Children                                  | \$2,144                     | \$2,178                    |
| All Disabled Workers  | \$1,238                     | \$1,258                    |

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