**2021 SOCIAL SECURITY CHANGES**

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

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2019 through the third quarter of 2020, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 1.3 percent COLA for 2021. Other important 2021 Social Security information is as follows:

|  |  |  |
| --- | --- | --- |
| **Tax Rate** | **2020** | **2021** |
| 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.

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| --- | --- | --- |
|  | **2020** | **2021** |
| **Maximum Taxable Earnings** | | |
| Social Security (OASDI only) | $137,700 | $142,800 |
| Medicare (HI only) | No Limit | |
| **Quarter of Coverage** | | |
|  | $1,410 | $1,470 |
| **Retirement Earnings Test Exempt Amounts** | | |
| Under full retirement age | $18,240/yr.  ($1,520/mo.) | $18,960/yr.  ($1,580/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 | $48,600/yr.  ($4,050/mo.) | $50,520/yr.  ($4,210/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 | |

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|  | | **2020** | **2021** | |
| **Social Security Disability Thresholds** | | | | |
| Substantial Gainful Activity (SGA) |  | | | |
| Non-Blind | $1,260/mo. | | | $1,310/mo. |
| Blind | $2,110/mo. | | | $2,190/mo. |
| Trial Work Period (TWP) | $ 910/mo. | | | $ 940/mo. |
| **Maximum Social Security Benefit: Worker Retiring at Full Retirement Age** | | | | |
|  | $3,011/mo. | | | $3,148/mo. |
| **SSI Federal Payment Standard** | | | | |
| Individual | $ 783/mo. | | | $ 794/mo. |
| Couple | $1,175/mo. | | | $1,191/mo. |
| **SSI Resource Limits** | | | | |
| Individual | $2,000 | | | $2,000 |
| Couple | $3,000 | | | $3,000 |
| **SSI Student Exclusion** | | | | |
| Monthly limit | $1,900 | | | $1,930 |
| Annual limit | $7,670 | | | $7,770 |
| **Estimated Average Monthly Social Security Benefits Payable in January 2021** | | | | |
|  | **Before**  **1.3% COLA** | | | **After**  **1.3% COLA** |
| All Retired Workers | $1,523 | | | $1,543 |
| Aged Couple, Both Receiving Benefits | $2,563 | | | $2,596 |
| Widowed Mother and Two Children | $2,962 | | | $3,001 |
| Aged Widow(er) Alone | $1,434 | | | $1,453 |
| Disabled Worker, Spouse and One or More Children | $2,195 | | | $2,224 |
| All Disabled Workers | $1,261 | | | $1,277 |