



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) | N o L i m i t | |

o **Quarter of Coverage:**

| | | |
|--|---------|---------|
| | \$1,050 | \$1,090 |
|--|---------|---------|

o **Retirement Earnings Test Exempt Amounts:**

| | | |
|---------------------------|-------------------------------|-------------------------------|
| Under full retirement age | \$13,560/yr. (\$1,130/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 | \$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. |
|--|-------------|-------------|

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 |