

Social Security COLA Increase

Cross References

- www.ssa.gov

The Social Security Administration has announced that Social Security and Supplemental Security Income (SSI) benefits will increase by 2.5% for 2025. The chart below identifies key figures that are affected by the annual cost-of-living adjustment (COLA) for the years 2023 through 2025.

Social Security and Medicare Highlights			
	2025	2024	2023
Social Security Benefits (COLA) increase.	2.5%	3.2%	8.7%
Maximum earnings subject to			
Social Security tax	\$176,100.00	\$168,600.00	\$160,200.00
Medicare tax	No Limit	No Limit	No Limit
Maximum Social Security tax			
Employee	\$10,918.20	\$10,453.20	\$9,932.40
Self-employed	\$21,836.40	\$20,906.40	\$19,864.80
Maximum Medicare tax	No Limit	No Limit	No Limit
Social Security tax rate			
Employee	6.20%	6.20%	6.20%
Self-employed	12.40%	12.40%	12.40%
Medicare tax rate ⁵			
Employee	1.45%	1.45%	1.45%
Self-employed	2.90%	2.90%	2.90%
Earnings needed for one quarter of coverage.	\$1,810.00	\$1,730.00	\$1,640.00
Maximum earnings and still receive full Social Security benefits.			
Under full retirement age ¹	\$23,400.00	\$22,320.00	\$21,240.00
Year of full retirement age ²	\$62,160.00	\$59,520.00	\$56,520.00
Full retirement age ³	No Limit	No Limit	No Limit
Maximum Social Security monthly benefits at full retirement age.	\$4,018.00	\$3,822.00	\$3,627.00
Medicare premiums ⁴			
Part A (per month)		\$505.00	\$506.00
Part B (per month)		\$174.70	\$164.90
Hospital deductible		\$1,632.00	\$1,600.00

¹ \$1 in benefits is withheld for every \$2 in earnings above limit.

² Applies only to earnings for months prior to attaining full retirement age. \$1 in benefits is withheld for every \$3 in earnings above the limit.

³ A person born in 1956 reached full retirement age in 2022 or 2023 at age 66 and 4 months. A person born in 1957 reached full retirement age in 2023 or 2024 at age 66 and 6 months. A person born in 1958 will reach full retirement age in 2024 or 2025 at age 66 and 8 months. A person born in 1959 will reach full retirement age in 2025 or 2026 at age 66 and 10 months.

⁴ The Department of Health and Human Services has not yet announced Medicare premium changes for 2025. Standard monthly premiums are listed for 2023 and 2024. High income taxpayers may be subject to higher premiums.

⁵ Medicare tax rate increases by 0.9% on wages and SE income above the threshold amount, plus 3.8% on unearned income above the threshold amount.