



# Social Security Benefits Going Up

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We never know for sure until the announcement by the Social Security Administration each October, but it sure looks like people receiving benefits will get a big raise in 2023. Experts are predicting a 10.5% cost of living (COLA) adjustment, based on recent changes in the Consumer Price Index.

Taxwise, this could be a mixed blessing. More benefits will expose more Social Security income to federal income taxes; any joint return whose combined income (including Social Security income) exceeds \$32,000 will trigger taxation of benefits, and higher income could also result in higher income-adjusted Medicare premiums. Those premiums are already becoming costlier; this year, Medicare Part B premiums rose 15.5%—higher than the Social Security cost of living adjustment. That means that Social Security recipients who had Medicare premiums automatically deducted benefits actually saw their monthly checks go down, despite the reported upward adjustment in benefits. Another big increase this year will eat into the higher benefits—or potentially eliminate them completely.

The last time Social Security benefits rose by double digits was 1981, when recipients received an 11.2% raise. Back then, the standard Medicare premium was \$89 a month.

## Sources:

<https://www.barrons.com/articles/social-security-cpi-inflation-2023-cola-estimate-51657726256?siteid=yhoof2>

<https://www.ssa.gov/policy/docs/statcomps/supplement/2011/2b-2c.html>

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

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