

Fourth Quarter 2024

Social Security & Medicare News

News that puts you in the know!



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2025 Social Security Updates

On October 10, 2024, the Social Security Administration (SSA) announced all the 2025 figures. Social Security beneficiaries will **receive a 2.5% cost-of-living adjustment (COLA)** for monthly benefits payable in 2025 (compared to a 3.2% increase in 2024). The COLA is based on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). For the average retired worker, the increase is about \$49 a month for a monthly benefit of \$1,976.



The **Social Security taxable earnings base** increases to \$176,100 in 2025. There are about 183 million working people paying this combined 7.65% payroll tax, matched by their employers, to support these programs. See the [2025 Social Security figures compared to 2024 in the summary table](#).

In 2025, the full retirement age (FRA) will be 66 and 10 months for people born January 2, 1959, through January 1, 1960. For Social Security and Medicare purposes, the FRA is established on the day before an individual's birthday. So, someone born on January 1 is considered to have been born in the previous year. Some of the Social Security figures in the summary table relate to when a person attains FRA.

2025 Medicare Updates

On November 8, 2024, the Centers for Medicare and Medicaid Services (CMS), an agency under the Department of Health and Human Services, released the 2025 Medicare premiums and deductibles. The **standard Part B monthly premium decreases to \$185.00 in 2025** for most current, new, and high-income Medicare beneficiaries and for people whose Medicare premiums are paid by Medicaid. Beneficiaries with high incomes pay additional income-related Part B premiums.

The Part D, Medicare standard prescription drug plan, monthly premium varies depending on your plan. These premiums are adjusted every January. Drug plan enrollment is within three months of becoming eligible for Medicare. Individuals can change plans or enroll for the first time from October 15 to December 7 with coverage effective January 1. High-income enrollees in Part D pay a premium surcharge that operates like the Part B program.

The summary tables that follow show the new 2025 Medicare figures compared to 2024. The four Part D figures at the end of the table released on April 1, 2024.

Summary Table: 2025 Figures Compared to 2024

Social Security	2024	2025
Cost-of-living Adjustment (COLA) for December (payable in January).	3.2% (12/23)	2.5% (12/24)
FICA tax rate: <ul style="list-style-type: none"> Social Security for employees. Medicare (Hospital Insurance). An additional FICA tax of 0.9% applies to high-income beneficiaries with annual incomes above \$200,000 (\$250,000 for married couples filing jointly). The employer does not pay this additional percentage. 	6.20% 1.45%	6.20% 1.45%
Maximum Social Security earnings for tax contributions and benefits.	\$168,600	\$176,100
Medicare taxable earnings.	no limit	no limit
Earnings required to earn one credit (maximum of four credits per year).	\$1,730	\$1,810
Retirement Earnings Test exempt amounts: <ul style="list-style-type: none"> Under full retirement age (FRA) throughout year Reaches FRA in year (period before the month FRA is attained). FRA and over. 	\$22,320 \$59,520 no limit	\$23,400 \$62,160 no limit
Maximum monthly retirement benefit at FRA.	\$3,822	\$4,018

Medicare Part A (Hospital Insurance)	2024	2025
Part A inpatient deductible per benefit period.	\$1,632	\$1,676
Part A daily coinsurance 61st through 90th days.	\$408	\$419
Part A daily coinsurance for up to 60 "lifetime reserve" days.	\$816	\$838
Part A daily coinsurance 21st through 100th days in a skilled nursing facility.	\$204	\$209.50
Part A voluntary monthly premium if not eligible for premium-free Part A.	\$505	\$518
Part A reduced monthly premium for persons with 30-39 credits.	\$278	\$285

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Medicare Part B (Medical Insurance)	2024	2025
Part B annual deductible.	\$240	\$257
Part B (Medical Insurance) standard monthly premium for most current, new, and high-income Medicare beneficiaries, and people whose Medicare premium is paid by Medicaid.	\$174.70	\$185.00
Part B (Medical Insurance) standard monthly premium:*		
<div> <div>File an Individual Tax Return</div> <div>File a Joint Tax Return</div> </div>		
0 to \$106,000 annual income	0 to \$212,000 annual income	
\$106,001 to \$133,000	\$212,001 to \$266,000	\$174.70
\$133,001 to \$167,000	\$266,001 to \$334,000	\$185.00
\$167,001 to \$200,000	\$334,001 to \$400,000	\$244.60
\$200,001 to \$499,999	\$400,001 to \$749,999	\$259.00
\$500,000 or more	\$750,000 or more	\$349.40
		\$370.00
		\$454.20
		\$480.90
		\$559.00
		\$591.90
		\$594.00
		\$628.90
*Income brackets for beneficiaries based on their 2023 federal income tax return filing status and adjusted gross income in 2025 (2022 returns for 2024).		

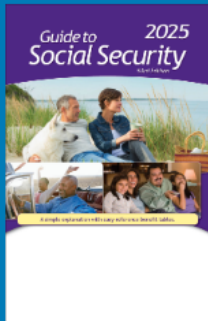
Medicare Part D (Prescription Drug Coverage)	2024	2025
Part D (Prescription Drug Coverage) monthly premium (estimate).	\$34.50	Varies by plan
Part D monthly premium adjustment for high-income beneficiaries (paid to Medicare):*		
<div> <div>File an Individual Tax Return</div> <div>File a Joint Tax Return</div> </div>		
0 to \$106,000 annual income	0 to \$212,000 annual income	
\$106,001 to \$133,000	\$212,001 to \$266,000	\$0
\$133,001 to \$167,000	\$266,001 to \$334,000	\$0
\$167,001 to \$200,000	\$334,001 to \$400,000	+ \$12.90
\$200,001 to \$499,999	\$400,001 to \$749,999	+ \$13.70
\$500,000 or more	\$750,000 or more	+ \$33.30
		+ \$35.30
		+ \$53.80
		+ \$57.00
		+ \$74.20
		+ \$78.60
		+ \$81.00
		+ \$85.80
*Income brackets for beneficiaries based on their 2023 federal income tax return filing status and adjusted gross income in 2025 (2022 returns for 2024).		

2025 Part D Figures Released April 1, 2024	2024	2025
Part D deductible.	\$545	\$590
Part D initial benefit limit.	\$5,030	Eliminated
Part D catastrophic threshold.	\$8,000	\$2,000

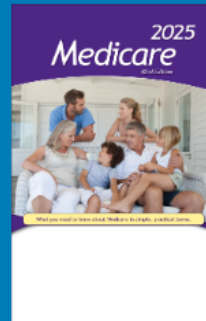
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