



Fact Sheet

2012 Social Security Changes

Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2008 through the third quarter of 2011, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 3.6 percent COLA for 2012. Other important 2012 Social Security information is as follows:

	<u>2011</u>	<u>2012</u>
<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.

* Section 601 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 reduced, for wages and salaries paid in calendar year 2011 and self-employment income in calendar year 2011, the OASDI payroll tax by 2 percentage points, applied to the portion of the tax paid by the worker and the self-employed individual.

Maximum Taxable Earnings:

Social Security (OASDI only)	\$106,800	\$110,100
Medicare (HI only)	N o L i m i t	

Quarter of Coverage:

Earnings needed for one credit	\$1,120	\$1,130
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Retirement Earnings Test Exempt Amounts:

Under full retirement age	\$14,160/yr. (\$1,180/mo.)	\$14,640/yr. (\$1,220/mo.)
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NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year an individual reaches full retirement age	\$37,680/yr. (\$3,140/mo.)	\$38,880/yr. (\$3,240/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.

Social Security Disability Thresholds:

Substantial Gainful Activity (SGA)		
Non-Blind	\$1,000/mo.	\$1,010/mo.
Blind	\$1,640/mo.	\$1,690/mo.
Trial Work Period (TWP)	\$ 720/mo.	\$ 720/mo.

Maximum Social Security Benefit: Worker Retiring at Full Retirement Age:

	\$2,366/mo.	\$2,513/mo.
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SSI Federal Payment Standard:

Individual	\$674/mo.	\$698/mo.
Couple	\$1,011/mo.	\$1,048/mo.

SSI Resources Limits:

Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

SSI Student Exclusion:

Monthly limit	\$1,640	\$1,700
Annual limit	\$6,600	\$6,840

Estimated Average Monthly Social Security Benefits Payable in January 2012:

	<u>Before 3.6% COLA</u>	<u>After 3.6% COLA</u>
All Retired Workers	\$1,186	\$1,229
Aged Couple, Both Receiving Benefits	\$1,925	\$1,994
Widowed Mother and Two Children	\$2,455	\$2,543
Aged Widow(er) Alone	\$1,143	\$1,184
Disabled Worker, Spouse and One or More Children	\$1,826	\$1,892
All Disabled Workers	\$ 1,072	\$1,111