



Fact Sheet

SOCIAL SECURITY

2007 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 2005 through the third quarter of 2006, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 3.3 percent COLA for 2007. Other important 2007 Social Security information is as follows:

	<u>2006</u>	<u>2007</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)	\$94,200	\$97,500
Medicare (HI only)	N o L i m i t	

o **Quarter of Coverage:**

\$970	\$1,000
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o **Retirement Earnings Test Exempt Amounts:**

Under full retirement age	\$12,480/yr. (\$1,040/mo.)	\$12,960/yr. (\$1,080/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	\$33,240/yr. (\$2,770/mo.)	\$34,440/yr. (\$2,870/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 (65 and 8 months for retirees born in 1941; 65 and 10 months for those born in 1942).

o **Social Security Disability Thresholds:**

Substantial Gainful Activity (SGA)

Non-Blind	\$ 860/mo.	\$ 900/mo.
Blind	\$1,450/mo.	\$1,500/mo.
Trial Work Period (TWP)	\$ 620/mo.	\$ 640/mo.

o **Maximum Social Security Benefit: Worker Retiring at Full Retirement Age in 2006 and 2007:**

\$2,053/mo.	\$2,116/mo.
(Age 65 and 8 months)	(Age 65 and 10 months)

NOTE: For retirees born in 1941, full retirement age is 65 and 8 months; for those born in 1942, it is 65 and 10 months. Full retirement age will gradually increase to age 67 for those born in 1960 and later.

o **SSI Federal Payment Standard:**

Individual	\$603/mo.	\$623/mo.
Couple	\$904/mo.	\$934/mo.

o **SSI Resources Limits:**

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

o **SSI Student Exclusion:**

Monthly limit	\$1,460	\$1,510
Annual limit	\$5,910	\$6,100

o **Estimated Average Monthly Social Security Benefits Payable in January 2007:**

	<u>Before 3.3% COLA</u>	<u>After 3.3% COLA</u>
All Retired Workers	\$1,011	\$1,044
Aged Couple, Both Receiving Benefits	\$1,658	\$1,713
Widowed Mother and Two Children	\$2,098	\$2,167
Aged Widow(er) Alone	\$ 976	\$1,008
Disabled Worker, Spouse and One or More Children	\$1,593	\$1,646
All Disabled Workers	\$ 947	\$ 979