



Fact Sheet

SOCIAL SECURITY

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%*

* The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, reduced the Social Security payroll tax rate by 2% on the portion of the tax paid by the worker in 2011. This reduction was extended through the end of February 2012 by the Temporary Payroll Tax Cut Continuation Act of 2011 and under the Middle Class Tax Relief and Job Creation Act of 2012, the reduction was extended through December 2012. Transfers will be made from the General Fund of the Treasury to the Trust Funds and earnings will be credited to the records of workers.

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 to earn one Social Security 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	

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