



Fact Sheet

SOCIAL SECURITY

2013 Social Security Changes

Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2011 through the third quarter of 2012, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 1.7 percent COLA for 2013. Other important 2013 Social Security information is as follows:

	<u>2012</u>	<u>2013</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.

*The Temporary Payroll Tax Cut Continuation Act of 2011 reduced the Social Security payroll tax rate by 2% on the portion of the tax paid by the worker through the end of February 2012. The Middle Class Tax Relief and Job Creation Act of 2012 extended the reduction through the end of 2012. Under current law, this temporary reduction expires at the end of December 2012.

Maximum Taxable Earnings:

Social Security (OASDI only)	\$110,100	\$113,700
Medicare (HI only)	No Limit	

Quarter of Coverage:

	\$1,130	\$1,160
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Retirement Earnings Test Exempt Amounts:

Under full retirement age	\$14,640/yr. (\$1,220/mo.)	\$15,120/yr. (\$1,260/mo.)
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NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.