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6 Significant Social Security Changes in 2018

Presented by Barberio & Rich Financial Services

Source: AARP.org, November 2017

Benefits jump

Social Security recipients will get a 2 percent cost-of-living adjustment (COLA) in their monthly benefit payments starting in January, the largest increase since 2012. The average recipient will receive \$1,404 a month, up from \$1,377 in 2017.

Higher tax cap

Workers now contribute 6.2 percent of their earnings to Social Security up to an income of \$127,200. That ceiling rises to \$128,700 in 2018. The change will affect about 12 million of the 175 million workers who pay Social Security taxes.

Full retirement age gets older

For those born in 1956, the full retirement age (when recipients can receive full benefits) climbs to 66 and 4 months. That's up from 66 and 2 months for those born in 1955. (Full retirement will increase two months every year until it reaches age 67 for everyone born in 1960 or later.)

Maximum benefits to raise

For those retiring at full retirement age, the maximum payout increases 3.7 percent to \$2,788 a month, or \$33,456 a year. That's up from \$2,687 a month, or \$32,244 a year.

New earnings limit

For beneficiaries who work while collecting Social Security, those younger than full retirement age can earn up to \$17,040 in 2018 without being penalized, up from \$16,920 in 2017. Above that level, you'll lose \$1 in benefits for every \$2 earned. The earnings limit is \$45,360 for those who will hit their full retirement age in 2018.

Gone digital

The Social Security Administration stopped mailing paper statements, which detail past yearly earnings and provide retirement benefits estimates, to most workers in 2017. For those who didn't get word, you now need an online account. About 36 million people have already gotten one.