

1.5 percent Social Security benefit increase in 2014

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Monthly Social Security and Supplemental Security Income (SSI) benefits for nearly 63 million Americans will increase 1.5 percent in 2014, the Social Security Administration announced last week.

The 1.5 percent cost-of-living adjustment (COLA) will begin with benefits that more than 57 million Social Security beneficiaries receive in January 2014. Increased payments to more than 8 million SSI beneficiaries will begin on December 31, 2013.

Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$117,000 from \$113,700. Of the estimated 165 million workers who will pay Social Security taxes in 2014, about 10 million will pay higher taxes as a result of the increase in the taxable maximum.

Information about Medicare changes for 2014 is available at www.Medicare.gov .

The Social Security Act provides for how the COLA is calculated. To read more, please visit www.socialsecurity.gov/cola