

logo not found or type unknown

Social Security Announces 2.5% Increase in Benefits for 2025, Affecting Over 72.5 Million Americans

The adjustment, set to begin in January, will increase monthly Social Security benefits by an average of \$50. SSI recipients will see changes starting December 31, with the new rates aiming to help beneficiaries

Federal / **Published On October 10, 2024 05:38 PM /**

Staff Consortium **October 10, 2024**

Image not found or type unknown



The Social Security Administration (SSA) announced on Thursday a 2.5 percent increase in Social Security benefits and Supplemental Security Income (SSI) payments for more than 72.5 million Americans, set to take effect in 2025. This adjustment aims to assist beneficiaries in keeping up with rising costs as inflation eases.

Beginning in January 2025, nearly 68 million Social Security recipients will experience a cost-of-living adjustment (COLA) averaging an additional \$50 per month in their benefits. Additionally, approximately 7.5 million individuals receiving SSI will see increased payments starting

December 31, 2024. Some beneficiaries receive both Social Security and SSI benefits and will receive these adjustments accordingly.

Martin O'Malley, Commissioner of Social Security, commented on the adjustment, stating, "Social Security benefits and SSI payments will increase in 2025, helping tens of millions of people keep up with expenses even as inflation has started to cool."

The 2.5 percent COLA follows a decade-long trend, where increases averaged around 2.6 percent. Last year's adjustment was slightly higher at 3.2 percent. The SSA also adjusts other parameters based on the increase in average wages. In 2025, the maximum earnings subject to the Social Security tax, known as the taxable maximum, will rise to \$176,100 from the previous \$168,600.

The SSA will begin informing beneficiaries about their new benefit amounts through mail in early December. For the first time, the SSA will issue a redesigned COLA notice aimed at making the information easier to understand. The new one-page notice uses straightforward, personalized language and provides clear details, including specific dates and the exact amounts of adjustments.

Beneficiaries who have a personal my Social Security account will be able to view their COLA notice online, which is a faster and secure alternative to receiving the information by mail. The SSA recommends setting up a my Social Security account to receive alerts via text or email for important updates, such as the COLA notice.

Individuals interested in viewing their COLA notice online must create a my Social Security account by November 20, 2024. To set up an account, visit www.ssa.gov/myaccount.

For those enrolled in Medicare, details on 2025 Medicare changes will be accessible on the Medicare website (www.medicare.gov). Beneficiaries will be able to find their updated benefit amounts through the my Social Security Message Center starting in late November. Those who have not signed up for online notifications will receive their COLA notice by mail in December.

The annual COLA is determined by the Social Security Act, which ties the adjustment to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The Bureau of Labor Statistics within the Department of Labor is responsible for calculating the CPI-W, which serves as the basis for the COLA adjustment.

For additional information on the COLA, visit www.ssa.gov/cola.