

Social Security Figures for 2017

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2016 through the third quarter of 2017, the Social Security beneficiaries and Supplemental Security Income (SSI) recipients will receive a 0.3 percent cost-of-living adjustment (COLA) for 2017. The COLA will result in the following average benefits being paid:

Type of Average Benefit	Amount Payable Before COLA	Amount After 0.3% COLA
All retired workers	\$ 1,355	\$ 1,360
Aged couple	\$ 2,254	\$ 2,260
Widowed mother and 2 children	\$ 2,686	\$ 2,695
Aged widow(er) alone	\$ 1,296	\$ 1,300
Disabled worker, spouse and one or more children	\$ 1,990	\$ 1,996
All disabled workers	\$ 1,167	\$ 1,171

Maximum monthly benefit for workers retiring at full retirement age in 2017 is \$2,687.

There will be a 0.3 percent cost-of-living increase in Social Security benefits, effective December 2015; it will be paid January 2016.

Maximum Taxable Amount: The maximum taxable amount for the Social Security benefits program will be \$127,200 for 2017. The maximum taxable amount for the Medicare program has been removed, every dollar of earnings will be taxed for Medicare purposes.

Quarters of Coverage: The dollar amount needed for one quarter of coverage will be \$1,300 for 2017; all four quarters are creditable anytime during the year when \$5,200 in covered wages have been received.

National Average Wage: The National Average Wage (NAW) for indexing purposes is \$48,098.63 (This figure is actually the 2015 NAW since it is computed on a two year lag basis).

Substantial Gainful Activity: Social Security Substantial Gainful Activity for 2017 will be \$1,170 per month for non-blind and \$1,950 for blind workers.

Bend Points: The bend points in the Primary Insurance Amount (PIA) formula, for 2017 are as follows:

- 90% of the first \$885 of the AIME
- 32% of the next \$4,451 of the AIME
- 15% of the AIME over \$5,336

Maximum Family Benefit: The maximum family benefit formula is for 2017:

- 150% of the first \$1,131 of the PIA
- 272% of the next \$502 of the PIA
- 134% of the next \$497 of the PIA
- 175% of the amount of the PIA in excess of \$2,130

Earnings Test: The 2017 earnings test applies only to earned income and functions as follows:

- Beneficiaries under 65 can earn \$16,920 (\$1,410 per month) in 2017 before any of their benefits are reduced.
- For earnings above \$16,920, \$1 in benefits is lost for each \$2 of earnings.
- For beneficiaries 65 and over but not yet the full retirement age, earnings over \$44,880 (\$3,740 per month) will result in a reduction in their Social Security benefits.
- One dollar in benefits will be withheld for every \$3 in earnings above the limit.
- Beneficiaries the full retirement age and beyond can earn all they want with no reduction in their Social Security benefits.

The maximum FICA taxes for 2017 are as follows:

- 6.2% for employees and employers each \$7,886.40 in OASDI taxes on the maximum taxable amount of \$127,200. Plus the Medicare tax of 1.45% for employees and employers each is applied to “all” earnings – there is no maximum taxable amount. Therefore, the Medicare tax on \$127,200 would be \$1,844.40. This would result in \$9,730.50 OASDHI on earnings of \$127,200 in 2017.
- The tax for a self-employed person is 15.3%. Self-employed persons may reduce their net earnings from self-employment by an amount equal to half their total self-employment tax (7.65%). On their form-1040 they may deduct half of the Social Security self-employment taxes paid.

Substantial Earnings: The amount of covered wages needed to qualify as substantial earnings in 2017 is \$23,625.

(This is for purposes of the Windfall Elimination Provision only.)