

**Even if Social Security has a cost of living adjustment (COLA) next year
you may not see it in your bank account**

Social Security beneficiaries are projected to receive an increase in payments for 2018 of 2.2%. This is after increasing cost of living adjustment (COLA) by 0.3% in 2017 and 0.0% in 2016. A 2.2% increase sounds like good news until you get your check and it is less than you expected.



If Social Security increases their monthly payments by 2.2% you will receive Social Security payment plus 2.2% minus Medicare Part B's premium. The full Medicare Part B premium is currently \$134 per month, \$25 per month higher than what most people pay. This is because the monthly premium for Medicare Part B has increased by \$30 per month the past 2 years, from \$104 in 2015 to \$134 in 2017. Most Medicare beneficiaries are currently only paying \$109 per month due to the "Hold Harmless" provision. This provision ensures an individual does not receive a net loss in their Social Security income and has been enacted the past two years to cap the Medicare premium at the current \$109 most individuals pay for Part B out of their Social Security check. If Social Security increases its payments, Medicare Part B's premium will pay catch up and begin charging the full premium of \$134 per month. We won't know Medicare Part B's 2018 premium or the official Social Security adjustment until October or November.

This does not apply to anyone new to Medicare or not collecting Social Security since those individuals are already paying the full Medicare premium of \$134 per month. Anyone with an income above \$85,000 as a single or \$170,000 filing jointly pay more for Medicare part B.



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