



News Release

SOCIAL SECURITY

FOR IMMEDIATE RELEASE
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1996 SOCIAL SECURITY CHANGES ANNOUNCED

Social Security Commissioner Shirley S. Chater announced today that Social Security and Supplemental Security Income benefits will increase 2.6 percent, beginning with the payments that Social Security beneficiaries receive Jan. 3 and SSI recipients receive on Dec. 29. The automatic cost-of-living adjustment is made annually.

For Social Security beneficiaries, the average monthly benefit amount for all retired workers will rise from \$702 to \$720. The maximum federal SSI monthly payments to an individual will rise from \$458 to \$470. For a couple, the maximum federal SSI payment will rise from \$687 to \$705.

Social Security and SSI benefits increase automatically each year based on the rise in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of one year through the corresponding period of the next. This year's increase in the CPI-W was 2.6 percent.

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NOTE TO CORRESPONDENTS: A fact sheet showing the effect of the various automatic adjustments is attached.

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Fact Sheet

SOCIAL SECURITY
Shirley S. Chater, Commissioner

Phil Gambino or Tom Margenau
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1996 SOCIAL SECURITY CHANGES

o Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 1994 through the third quarter of 1995, Social Security beneficiaries and Supplemental Security Income (SSI) recipients received a 2.6 percent COLA for 1996. Other important 1996 Social Security information is as follows:

	<u>1995</u>	<u>1996</u>
o <u>Tax Rate:</u>		
Employee	7.65% (6.20% OASDI, 1.45% HI)	7.65% (6.20% OASDI, 1.45% HI)
Self-Employed	15.30%	15.30%

NOTE: The 7.65% represents the combined Social Security and Medicare tax rate. The Social Security portion (OASDI) is 6.20% on wages up to the applicable maximum taxable amount (see below). The Medicare portion (HI) is 1.45% on all wages.

o Maximum Earnings Taxable:

Social Security (OASDI only)	\$61,200	\$62,700
Medicare (HI only)	N o	L i m i t*

*The maximum was eliminated by the "Omnibus Budget Reconciliation Act of 1993."

o Quarter of Coverage:

\$630	\$640
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o Retirement Earnings Test Exempt Amounts:*

Age 65 thru 69	\$11,280/yr. (\$940/mo.)	\$11,520/yr. (\$960/mo.)
Under age 65	\$ 8,160/yr. (\$680/mo.)	\$ 8,280/yr. (\$690/mo.)

*NOTE: For people age 65 through 69, \$1 in benefits will be withheld for every \$3 in earnings above the limit. For people under age 65, \$1 will be withheld for every \$2 in earnings above the limit.

o Maximum Social Security Benefit: Worker Retiring at Age 65 in January of 1995 and 1996:

	\$1,199/mo.	\$1,248/mo.
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o SSI Federal Payment Standard:

Individual	\$458/mo.	\$470/mo.
Couple	\$687/mo.	\$705/mo.

o SSI Resources Limits:

Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

o Average Monthly Social Security Benefits: Before and After the December 1995 COLA:

	Before 2.6% COLA	After 2.6% COLA
All Retired Workers	\$ 702	\$ 720
Aged Couple, Both Receiving Benefits	\$1,184	\$1,215
Widowed Mother and Two Children	\$1,371	\$1,407
Aged Widow(er) Alone	\$ 663	\$ 680
Disabled Worker, Spouse and One or More Children	\$1,119	\$1,148
All Disabled Workers	\$ 665	\$ 682