

# SOCIAL SECURITY HIGHLIGHTS



*The Company That Cares.®*



**William F. Rainaldi, CFP®**

Senior Financial Services Consultant  
607-760-3315 • [wrainald@smlny.com](mailto:wrainald@smlny.com)



## Social Security and Medicare COLAs Announced

The Social Security Administration (SSA) announced in late September the 2023 Cost of Living Adjustment (COLA) for Social Security benefits would be 8.7 percent—the biggest increase in over 40 years. The increase will come as welcome relief to seniors dealing with inflated living expenses, but it is actually lower than previous estimates. In August, the Senior Citizens League had estimated the 2023 COLA would be 9.6 percent. COLAs apply to anyone age 62 or older who is eligible for Social Security, whether they are collecting or not.

Meanwhile, the SSA surprised many by also announcing a 3.1 percent *decrease* in Medicare Part B rates for 2023. This comes after a 14.5 percent increase in 2022. Part B covers medical services like doctors' services, outpatient care, and other medical services Part A doesn't cover. This is only the third decrease in the history of the program.

The SSA explained the projected spending on Aduhelm, a drug that treats Alzheimer's disease, was lower than expected. That plus savings on other Part B items and services resulted in larger financial reserves for Part B.

Also, there were small reductions in Medicare's charges for the so-called "Income Related Monthly Adjustment Amount" or IRMAA. Higher income taxpayers pay extra for Part B due to IRMAA. In 2023, the charges apply for individuals with a modified adjusted gross income of \$97,000 or more and married couples with a modified adjusted gross income of \$194,000 or more.

While it's good news in the short run, none of this changes the fact long-term projections from the SSA indicate that over the next ten years or more, Medicare premium increases are still projected to rise more than twice as fast as expected COLAs.

Further, an analysis done by HealthView Services, a leading producer of healthcare cost-projection software, concluded that the “Part B reduction in 2023 amounts to less than 1% of total projected medical spending for a healthy 65-year-old individual.”

They go on to make an even more startling projection of future health care costs. These are estimated at 45% of gross Social Security benefits for the average healthy 65-year-old couple retiring in 2023. But according to their projections, that number will be close to 100% if they both live to age 89.

So, while the current news is good, the long-term trend is still a major concern.

Have you considered all the important factors as part of your retirement plan? Your Security Mutual Life Insurance Advisor can help. They can coordinate with your other advisors to help you figure out your best options.



*To learn about your Social Security options, contact your Security Mutual life insurance agent. Using the Security Mutual Life Social Security Evaluator, your agent can provide you with an easy-to-understand illustration showing your various options, and then help you evaluate those options based on your personal financial needs and goals.*

The applicability of any strategy discussed is dependent upon the particular facts and circumstances. Results may vary, and products and services discussed may not be appropriate for all situations; each person's needs objectives and financial circumstances are different and must be reviewed and analyzed independently.

All information provided from the Security Mutual Life Social Security Evaluator is intended to be accurate and timely; however, Security Mutual does not guarantee its accuracy. Reliance on the information generated should be undertaken only after an independent review of its accuracy and, where applicable, in consultation with your tax, legal or other professional advisor. This information is not approved, endorsed or authorized by the Social Security Administration, Centers for Medicare and Medicaid Services or the Department of Health and Human Services.

We encourage individuals to seek personalized advice from a qualified Security Mutual life insurance advisor regarding their personal needs, objectives and financial circumstances.

Insurance products are issued by Security Mutual Life Insurance Company of New York, Binghamton, New York. Product availability and features may vary by state.

Copyright © 2022 Security Mutual Life Insurance Company of New York. All Rights Reserved.



*The Company That Cares.®*

