

2018 Social Security

Determining your Social Security full retirement age (FRA)

Year of birth	Social Security FRA	Age 62 reduction
1941	age 65 and 8 months	23.33%
1942	age 65 and 10 months	24.17%
1943-1954	age 66	25.00%
1955	age 66 and 2 months	25.83%
1956	age 66 and 4 months	26.67%
1957	age 66 and 6 months	27.50%
1958	age 66 and 8 months	28.33%
1959	age 66 and 10 months	29.17%
1960 and later	age 67	30.00%

If born on January 1, use the prior year of birth.
Social Security Administration, Benefit Reduction for Early Retirement.

Social Security FICA payroll taxes

Wage base	\$128,700
Employee Social Security rate	6.2%
Employee Medicare rate	1.45%
Additional 0.9% high-income payroll tax for wages in excess of	Single or HOH: \$200,000 Married, filing jointly: \$250,000 Married, filing separately: \$125,000
Earnings required for 1 credit	\$1,320
Self-employed Social Security rate	12.4%
Self-employed Medicare rate	2.9%

Social Security Administration, Fact Sheet, 2018.

Social Security benefits

Maximum monthly benefit	\$2,788
Earnings limitations and benefit reduction	Before FRA (\$1 for \$2 benefit reduction): \$17,040/year Year up until first of month one turns FRA (\$1 for \$3 benefit reduction): \$45,360/year After FRA: no reduction

Social Security Administration, Fact Sheet, 2018.

Social Security benefits taxation (income in retirement causing 0%, up to 50%, or up to 85% of Social Security benefits to be taxable)	Single or HOH up to 50% taxable: \$25,000 MAGI up to 85% taxable: \$34,000 MAGI Married, filing jointly up to 50% taxable: \$32,000 MAGI up to 85% taxable: \$44,000 MAGI
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Benefits Planner: Income Taxes and Your Social Security Benefits.

Social Security cost-of-living adjustments (COLAs)

Note: Percentage increase to benefits received, starting in January of the year indicated.

Year	COLA (%)	Year	COLA (%)
2000	2.5%	2009	5.8%
2001	3.5%	2010	0.0%
2002	2.6%	2011	0.0%
2003	1.4%	2012	3.6%
2004	2.1%	2013	1.7%
2005	2.7%	2014	1.5%
2006	4.1%	2015	1.7%
2007	3.3%	2016	0%
2008	2.3%	2017	0.3%
		2018	2.0%

Social Security Administration, Cost-of-Living Adjustment.

Primary insurance amount (PIA) calculation

Average indexed monthly earnings (AIME)	PIA (as % of AIME)
\$0 - \$896	90%
\$896 - \$5,399	\$806 plus 32% of excess over \$896
\$5,399+	\$2,247 plus 15% of the excess over \$5,399

Social Security Administration, Primary Insurance Amount.