



# SOCIAL SECURITY ADVISOR

## Social Security Planning for Retirement

### WHAT'S INSIDE?

*Happy Holidays*

#### COLAs for 2021: A Sign of the Times

- Hedging Higher Costs
- Behind the Numbers
- IRMAA's Impact
- Going Lower

<Pages 1-3>

#### Insert: 2021 Adjustments to Social Security and Medicare Part B

#### Executive Summary

<Page 2>

#### 2020 Index of Articles

<Pages 6-7>

#### Advisor Mailbag

<Page 8>

#### GUEST EXPERT: Marc Kiner, CPA

Premier Social Security Consulting  
Cincinnati, OH

Situational Social Security for Married Couples

<Pages 3-5>

Join the Retirement Planning Conversation



### COLAs for 2021: A Sign of the Times

In October, the cost-of-living adjustments (COLA) for Social Security payments and Medicare costs in 2021 were announced. Here are the highlights:

- Social Security and Supplemental Security Income (SSI) payments will rise by 1.3% (down from 1.6% in 2020) beginning for payments in January 2021. The average monthly benefit will go from \$1,523 to \$1,543.
- Most enrollees in Medicare Part B, which covers medical bills, will see similarly modest increases in premiums. For example, the 2021 standard Part B premium will be \$148.50, up from \$144.60 in 2020.
- High-income Medicare participants subject to Income-Related Monthly Adjusted Amounts (IRMAA) also will see their adjusted premiums go up, as further explained.

These just-announced amounts for both Social Security and Medicare in 2021 appear in this issue's insert.

#### Hedging Higher Costs

*How should seniors put these numbers into perspective?* Recipients might not be impressed with the extra \$20 a month from Social Security, especially if they have to pay almost \$4 a month more for Medicare Part B, but they should remember that the Social Security COLA is intended to help keep pace with inflation. This is one

of the few retirement income sources that adjust for rising prices of goods and services. The extra dollars will help seniors keep up as their living costs increase.

Yes, an extra \$20 a month might not seem like much, but inflation was mild this year, by the official count. Oil prices, which play a large role in tracking inflation, began the year above \$60 a barrel but currently stand close to \$40 a barrel. Many people will have substantial savings this year from what they would had to spend on gasoline for their vehicles, home heating, and other costs.

If oil prices move up in the future, along with other costs of living, the Social Security COLA will jump accordingly. The COLA announced in 2008, for instance, was 5.8%. Back in 1979-80-81, when double-digit inflation was truly painful for retirees on fixed incomes, the increases were 9.9%, 14.3%, and 11.2%, respectively. Thus, a COLA can be vital in a time of real need. (See [ssa.gov/oact/cola/colaseries.html](https://ssa.gov/oact/cola/colaseries.html) for historical COLA data.)

What's more, that \$20 monthly increase is for the average benefit; many Americans will have earned enough before retiring to merit above-average payments. In 2021, for example, the maximum Social Security benefit for workers retiring at full retirement age (FRA) rose

Happy Holidays

ED SLOTT AND COMPANY'S 2-DAY IRA WORKSHOP  
**VIRTUAL INSTANT IRA SUCCESS**

**LIVE** February 18-19, 2021 | **JOIN US!** [irahelp.com/2-day](https://irahelp.com/2-day)

\$400 OFF

Promo Code:  
**NEWSLETTER**