

SOCIAL SECURITY ADVISOR

Social Security Planning for Retirement

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**Think You Are Too Old
for an HSA?
...Think Again!**

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Join the Retirement
Planning Conversation



The Clock Is Ticking: Making Retirement and Social Security Claiming Decisions that Count

On October 10, the SSA announced important figures for 2025, including the highly anticipated cost-of-living adjustment (COLA) for beneficiaries. After two years of historically high COLA increases — 5.9% in 2022 and 8.7% in 2023, the latter being the highest since 1981 — the adjustment for 2024 was 3.2%. These increases helped ease financial pressures for many seniors and low-income recipients. However, declining COLAs will continue in 2025, with a modest increase of 2.5%. This is disappointing for many retirees who depend heavily on Social Security for a significant portion of their income.

Although the 2025 increase is modest, it aligns with the historical 20-year average of 2.6%. This will boost the average retiree's monthly check by only \$49, to \$1,976. For many recipients, this amount will barely cover rising expenses for items such as housing, gas, and groceries.

Inflation, the future of taxes, and their impact on Americans' ability to make ends meet have been central issues in the highly contested race for the White House. Around the time this issue is released, we should know who the President-elect is; however, inflation will not magically disappear overnight with new leadership.

Retirees on fixed incomes may need to explore strategies to stretch their dollars further.

Given the scheduled increase in income tax rates after 2025, when many provisions of the [Tax Cuts and Jobs Act of 2017 \(TCJA\)](#) will sunset, now is an especially good time for thoughtful tax planning. People preparing for retirement can consider strategies to protect future retirement income from potentially more erosion, particularly for those nearing the time when paychecks will cease. It has never been more important to make informed decisions about when to claim Social Security while ensuring those benefits are not the sole source of income.

A comprehensive plan that includes tax-efficient strategies and maximizes other income sources can significantly enhance financial security in retirement. Here are some practical strategies to consider.

Trim the Fat

The end of the year is an ideal time to review essential and discretionary spending, especially for those on fixed incomes. Creating a fresh budget for the coming year is another excellent approach. With a modest COLA providing only a slight increase in

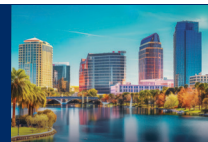
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