



SOCIAL SECURITY ADVISOR

Social Security Planning for Retirement

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Join the Retirement Planning Conversation



2022 Cost-of-Living Adjustment Announced

The SSA recently announced that based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2020 through the third quarter of 2021, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 5.9% cost-of-living-adjustment (COLA) increase in Social Security benefits and Supplemental Security Income (SSI) payments. This affects more than 64 million beneficiaries. Beginning in January 2022, this increase will add roughly \$92 a month to an average retirement benefit of \$1,565 a month, equaling \$1,657 and making it the largest increase since 1982 at 7.4%.

Note: Medicare Part B premiums have not yet been released but are expected to rise roughly \$10 to \$158.50.

For Social Security Survivors, the End Is Just the Beginning

The death of a loved one can be shocking. Literally. Survivors — especially a widow(er) — may be too stunned to handle all the details that must follow.

Nevertheless, acting quickly and correctly can be enormously important, in terms of financial well-being, and one crucial step is following up with Social Security as soon as possible. I receive many questions from financial professionals on this topic, so this is an area that's not often clear to surviving individuals nor their advisors.

Immediate Concerns

What are the key points regarding survivor benefits?

For one, any benefits that had been going to the decedent will not

continue for the month of death or later months — *this comes as a surprise to some widow(er)s*. If a person, who had been receiving retirement benefits, dies in January 2022, those payments will stop after the one for December 2021, received in January 2022.

Another factor to consider is that most Social Security benefits are deposited electronically. After the SSA is notified of a death (probably by the funeral home), any deposits after December 2021 may be retracted from the relevant account. If additional benefits are received, the survivor should contact the bank or other financial institution and request that the money be returned to the SSA.

Although the decedent's benefits stop immediately, survivor benefits usually

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