



HEATHER SCHREIBER'S

November 2023

SOCIAL SECURITY ADVISOR

Social Security Planning for Retirement

WHAT'S INSIDE?

Savvy Year-End Strategies with Social Security and Medicare in Mind

- 2024 COLA
- 2024 Medicare Premiums
- Planning Ahead
- Planning for Those *NOT YET COLLECTING* Social Security Retirement Benefits
- Planning for Those *ALREADY COLLECTING* Social Security Retirement Benefits
- Medicare Year-End Checklist

<Pages 1-5>

Executive Summary

<Page 2>

Insert: 2024 Adjustments: Social Security & Medicare Part B

Advisor Mailbag

<Pages 5-6>

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Three for the Money: Social Security, Medicare, and LTC

<Pages 6-8>

Join the Retirement Planning Conversation



Savvy Year-End Strategies with Social Security and Medicare in Mind

Each year, the fourth quarter begins with important news from Social Security and Medicare: the following year's cost-of-living adjustment (COLA) for Social Security and the premiums Medicare enrollees will pay for that health insurance. As the year nears its end, many will focus on year-end *income tax* planning, but this is also a time when thinking about Social Security and Medicare can pay off financially, near- and long-term.

2024 COLA

After seeing two of the highest COLA years since the inflationary 1970s and 1980s (5.9% for 2022 and 8.7% for 2023), the 3.2% COLA announced for 2024 may seem underwhelming, yet it still exceeds the 2.6% average of the past 20 years. This new COLA goes into effect in December 2023, so recipients of Social Security retirement benefits will see an increased payout in January 2024.

The SSA puts the average increase in 2024 benefits at more than \$50 per month. The average monthly check for a single retired worker will go from \$1,848 in 2023 to \$1,907 in 2024, almost \$23,000 yearly. For a married couple, both receiving Social Security, monthly benefits will rise from \$2,939 in 2023 to \$3,033 in 2024, over \$36,000 a year. The maximum Social Security benefit for workers retiring at

full retirement age (FRA) after a long career of paying Social Security tax in full will be \$3,822 a month in 2024, almost \$46,000 a year.

2024 Medicare Premiums

Most Medicare enrollees pay the standard premium for Part B, which covers physicians' services and certain other medical costs. That premium rises from \$164.90 a month in 2023 to \$174.70 monthly in 2024: a \$9.80 (6.4%) increase to more than \$2,000 a year, which typically is withheld from Social Security payments. Thus, the Part B increase will offset the 2024 COLA somewhat for many seniors.

What's more, high-income Medicare enrollees may pay even more for Part B in 2024: the income-related monthly adjustment amount (IRMAA) increase will raise some Part B premiums to almost \$600 a month (over \$7,000 a year) or \$14,000 a year for some married couples. (See this month's insert, "2024 Adjustments: Social Security & Medicare Part B," for a comprehensive review of next year's Social Security and Medicare changes.)

Planning Ahead

These announced changes for 2024 come after the 2023 reports from

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