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What are the tax, benefit and earning (COLA) amounts for 2008?

Question

What are the tax, benefit and earning (COLA) amounts for 2008?

Answer

A Social Security cost-of-living (COLA) increase of 2.3% for 2008 was announced on October 17, 2007.

Following are the changes effective January 1, 2008:

2008 SOCIAL SECURITY CHANGES

Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2006 through the third quarter of 2007, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 2.3 percent COLA for 2008. Other important 2008 Social Security information is as follows:

Tax Rate	2007	2008
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%
NOTE: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings.		

Maximum Taxable Earnings:	2007	2008
Social Security (OASDI only)	\$97,500	\$102,000
Medicare (HI only)	No Limit	

Quarter of Coverage:	2007	2008
	\$1,000	\$1,050

Retirement Earnings Test Exempt Amounts:	2007	2008
Under full retirement age NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.	\$12,960/yr. (\$1,080/mo.)	\$13,560/yr. (\$1,130/mo.)
The year an individual reaches full retirement age NOTE: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.	\$34,440/yr. (\$2,870/mo.)	\$36,120/yr. (\$3,010/mo.)
There is no limit on earnings beginning the month an individual attains full retirement age.		

<u>Social Security Disability Thresholds:</u>		2007	2008
Substantial Gainful Activity (SGA)	Non-Blind	\$ 900/mo.	\$ 940/mo.
	Blind	\$1,500/mo.	\$1,570/mo.
Trial Work Period (TWP)		\$ 640/mo.	\$ 670/mo.

Maximum Social Security Benefit: Worker Retiring at <u>Full Retirement Age</u>	2007	2008
	\$2,116/mo.	\$2,185/mo.

<u>SSI Federal Payment Standard:</u>	2007	2008
Individual	\$ 623/mo.	\$ 637/mo.
Couple	\$ 934/mo.	\$ 956/mo.

SSI Resources Limits:	2007	2008
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

<u>SSI Student Exclusion Limits:</u>	2007	2008
Monthly Limit	\$1,510	\$1,550
Annual Limit	\$6,100	\$6,240

Estimated Average Monthly Social Security Benefits Payable in January 2008:	Before 2.3% COLA	After 2.3% COLA
All Retired Workers	\$1,055	\$1,079
Aged Couple, Both Receiving Benefits	\$1,722	\$1,761
Widowed Mother and Two Children	\$2,192	\$2,243
Aged Widow(er) Alone	\$1,017	\$1,041
Disabled Worker, Spouse and One or More Children	\$1,652	\$1,690
All Disabled Workers	\$ 981	\$1,004

File Attachments

-  [Printer Friendly Version of 2008 COLA](#)