

# 2019 Social Security and Medicare Guide

## Social Security in 2019

### Determining your Social Security full retirement age (FRA)

Year of birth	Social Security FRA	Age 62 reduction
1941	age 65 and 8 months	23.33%
1942	age 65 and 10 months	24.17%
1943-1954	age 66	25.00%
1955	age 66 and 2 months	25.83%
1956	age 66 and 4 months	26.67%
1957	age 66 and 6 months	27.50%
1958	age 66 and 8 months	28.33%
1959	age 66 and 10 months	29.17%
1960 and later	age 67	30.00%

If born on January 1, use the prior year of birth.  
Social Security Administration, Benefit Reduction for Early Retirement.

### Social Security FICA payroll taxes

Wage base	\$132,900
Employee Social Security rate	6.2%
Employee Medicare rate	1.45%
Additional 0.9% high-income payroll tax for wages in excess of	Single or HOH: \$200,000 Married, filing jointly: \$250,000 Married, filing separately: \$125,000
Earnings required for 1 credit	\$1,360
Self-employed Social Security rate	12.4%
Self-employed Medicare rate	2.9%

Social Security Administration, Fact Sheet, 2019.

### Social Security benefits

Maximum monthly benefit	\$2,861
Earnings limitations and benefit reduction	Before FRA (\$1 for \$2 benefit reduction): \$17,640/year Year up until first of month one turns FRA (\$1 for \$3 benefit reduction): \$46,920/year After FRA: no reduction
Social Security benefits taxation (income in retirement causing 0%, up to 50%, or up to 85% of Social Security benefits to be taxable)	Single or HOH up to 50% taxable: \$25,000 MAGI up to 85% taxable: \$34,000 MAGI  Married, filing jointly up to 50% taxable: \$32,000 MAGI up to 85% taxable: \$44,000 MAGI

Social Security Administration, Fact Sheet, 2019.

Benefits Planner: Income Taxes and Your Social Security Benefits.

### Primary insurance amount (PIA) calculation

Average indexed monthly earnings (AIME)	PIA (as % of AIME)
\$0 - \$926	90%
\$926 - \$5,583	\$833 plus 32% of excess over \$926
\$5,583+	\$2,324 plus 15% of the excess over \$5,583

Social Security Administration, Primary Insurance Amount, 2019.

### Social Security cost-of-living adjustments (COLAs)

Note: Percentage increase to benefits received, starting in January of the year indicated.

Year	COLA (%)	Year	COLA (%)
2000	2.5%	2010	0.0%
2001	3.5%	2011	0.0%
2002	2.6%	2012	3.6%
2003	1.4%	2013	1.7%
2004	2.1%	2014	1.5%
2005	2.7%	2015	1.7%
2006	4.1%	2016	0%
2007	3.3%	2017	0.3%
2008	2.3%	2018	2.0%
2009	5.8%	2019	2.8%

Social Security Administration, Cost-of-Living Adjustment, 2019.

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# Medicare in 2019

## Medicare Part B

There is a special rule for Social Security recipients, called the “hold harmless rule,” that ensures that Social Security benefits will not decline from one year to the next because of increases in Medicare Part B premiums. Whether this rule comes into play in a particular year depends on the amount of COLA and the Medicare Part B premium increase. The hold harmless rule will apply in 2019 for those people who had been paying the standard Part B premium if their Medicare Part B premium increased but the Social Security COLA amount was not large enough to cover the full amount of their increased premium. About 3.5% of all who are subject to the 2019 hold harmless rule will pay less than the full \$135.50 premium. Everyone else will pay the 2019 not held harmless premium. The MAGI used for the 2019 not held harmless premiums is based on the individual’s 2017 tax return.

Modified adjusted gross income (MAGI) 2017 tax year	2019 held harmless (HH)	2019 not held harmless	Premium level
Individual ≤\$85,000 Married, filing jointly ≤\$170,000	< \$135.50 (About 3.5% of Medicare Part B enrollees)	\$135.50	Standard premium
Individual >\$85,000 up to \$107,000 Married, filing jointly >\$170,000 up to \$214,000		\$189.60	1.4 x standard
Individual >\$107,000 up to \$133,500 Married, filing jointly >\$214,000 up to \$267,000		\$270.90	2.0 x standard
Individual >\$133,500 up to \$160,000 Married, filing jointly >\$267,000 up to \$320,000		\$352.20	2.6 x standard
Individual >\$160,000 up to \$500,000 Married, filing jointly >\$320,000 up to \$750,000		\$433.40	3.2 x standard
Individual >\$500,000 Married, filing jointly >\$750,000		\$460.50	3.4 x standard

Centers for Medicare and Medicaid Services, 2019 Medicare Parts A & B Premiums and Deductibles.

## Medicare income brackets for determining monthly premiums in 2019

Higher-income Medicare beneficiaries have been paying more for their Medicare Part B and Part D coverage for several years in the form of income-related monthly adjustment amounts.

Legislation called the Medicare Access and CHIP Re-authorization Act of 2015, otherwise known as the “Doc Fix” law, permanently repaired the method of paying doctors under Medicare, secured permanent funding for low-income Medicare recipients, and ensured that children will be able to get access to health coverage. This law also enacted new MAGI tier brackets in 2018 that will apply for the 2019 Medicare premiums as reflected in the tables. The 2017 tax return will be used to set those 2019 income-related monthly adjustment accounts (IRMAA) payments using this new tiered system to determine Medicare Part B premiums.

## Medicare Part D prescription benefits in 2019

Note: Some prescription drug plans have different levels or “tiers” of co-payments with different costs for different types of drugs.

Average monthly premium, deductible, and/or coinsurance varies by plan.

Higher-income consumers may pay more.

Please note the hold harmless rule does not apply to Medicare part D premiums for prescription drugs.

Modified adjusted gross income (MAGI) 2017 tax year	PART D 2019 monthly premium
Individual ≤\$85,000 Married couple ≤\$170,000	Plan premium
Individual >\$85,000 up to \$107,000 Married couple >\$170,000 up to \$214,000	\$12.40 + plan premium
Individual >\$107,000 up to \$133,500 Married couple >\$214,000 up to \$267,000	\$31.90 + plan premium
Individual >\$133,500 up to \$160,000 Married couple >\$267,000 up to \$320,000	\$51.40 + plan premium
Individual >\$160,000 up to \$500,000 Married couple >\$320,000 up to \$750,000	\$70.90 + plan premium
Individual >\$500,000 Married couple >\$750,000	\$77.40 + plan premium

Medicare.gov, Monthly premium for drug plans, 2019.

2019 held harmless premium consists of: 2017 premium amount + the increase amount, if any, of their Social Security benefit due to the 2.8% COLA for 2019 (capped at \$135.50). About 3.5% of held harmless Medicare Part B enrollees will pay < \$135.50 in Medicare Part B premium for 2019.

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