

Social Security COLA

With high inflation, many of our clients are wondering what the 2023 Cost of Living Adjustment ("COLA") for Social Security will be and how it's calculated.

From SSA.gov: "A COLA...is equal to the percentage increase (if any) in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the average of the third quarter of the current year to the average for the third quarter of the last year in which a COLA became effective."

What does this mean?

We know that CPI-W numbers for July, August, and September 2021 were 267.789, 268.387, and 269.086, respectively, providing a 3rd Quarter 2021 CPI-W average of 268.421.

Additionally, we know that CPI-W numbers for July and August of 2022 were 292.219 and 291.629. The September 2022 CPI-W will be announced on October 13th, at which time the official COLA (if any) for 2023 will be announced.

Current forecasts range from an 8.4% to 9.6% - it will all depend on the number that gets announced on October 13th.

Part B Premiums Flat

In June, the Medicare Trustees released their annual report projecting that the standard monthly premium for Medicare Part B in 2023 will remain unchanged from its current value of \$170.10 per month. Welcome news when all other costs are rising!

Sources:

<https://www.ssa.gov/oact/cola/latestCOLA.html>

<https://www.ssa.gov/oact/STATS/cpiw.html>

<https://www.cnbc.com/2022/08/10/social-security-cost-of-living-adjustment-may-be-9point6percent-in-2023.html>