

Social Security Announces 2.5 Percent Benefit Increase for 2025

Social Security COLA Increases

The Social Security Administration has announced that Social Security benefits and Supplemental Security Income (SSI) payments for more than 72.5 million Americans will increase 2.5 percent in 2025. On average, Social Security retirement benefits will increase by about \$50 per month starting in January.

Over the last decade the COLA increase has averaged about 2.6 percent. The COLA was 3.2 percent in 2024.

Nearly 68 million Social Security beneficiaries will see a 2.5 percent cost-of-living adjustment (COLA) beginning in January 2025. Increased payments to nearly 7.5 million people receiving SSI will begin on December 31, 2024. (Note: Some people receive both Social Security benefits and SSI).

“Social Security benefits and SSI payments will increase in 2025, helping tens of millions of people keep up with expenses even as inflation has started to cool,” said Martin O’Malley, Commissioner of Social Security.

Some other adjustments that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) is slated to increase to \$176,100 from \$168,600.

Social Security begins notifying people about their new benefit amount by mail starting in early December.

COLA Notice

This year, for the first time, Social Security beneficiaries will receive a newly designed and improved COLA notice that makes it easier for customers to find the information they need most. The simplified COLA notice is now only one page, uses

plain and personalized language, and provides exact dates and dollar amounts of a person's new benefit amount and any deductions.

Individuals who have a personal [my Social Security account](#) can view their COLA notice online, which is secure, easy, and faster than receiving a letter in the mail. People can set up text or email alerts when there is a new message--such as their COLA notice--waiting for them in my Social Security.

People will need to have a personal [my Social Security account](#) by Nov. 20 to see their COLA notice online. To get started, visit www.ssa.gov/myaccount.

Information about Medicare changes for 2025 will be available at www.medicare.gov. For Social Security beneficiaries enrolled in Medicare, the 2025 benefit amount will be available via my Social Security's Message Center starting in late November. Those who have not opted to receive messages online will receive their COLA notice by mail in December.

The Social Security Act provides for how the COLA is calculated. The Social Security Act ties the annual COLA to the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as determined by the Department of Labor's Bureau of Labor Statistics.

To read more, please visit www.ssa.gov/cola.

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