

FROM THE ADVICE &  
PLANNING GROUP

## Social Security & Medicare Changes for 2022

*As another new year quickly approaches, here are a few reminders about updates to Social Security and Medicare for 2022 that recipients of those benefits may find helpful.*

### Social Security

The Social Security Administration has approved an increase, for those receiving benefits, of 5.9% in 2022, which represents the largest percentage increase since 1982. Social Security benefits are heavily influenced by changes in the Consumer Price Index (CPI) which, as of September 2021, had increased by 5.4% over the previous 12 months, the largest gain since 2008.

In addition, the amount of earnings subject to Social Security tax will increase from \$142,800 in 2021 to \$147,000 in 2022, which represents a 2.9% increase. The Social Security Administration uses the national average wage index to compute these increases.

### Medicare

The standard Medicare Part B premium is expected to increase \$10 to \$158.50 per month for 2022. The Part B deductible is projected to increase \$14 to \$217 per year.

Medicare Part D (prescription drug plans) premiums, which have decreased slightly over the past few years, are expected to be about the same in 2022 as they were in 2021.

Despite the highest inflation in over a decade, these changes may result in an overall net positive to those receiving Social Security & Medicare benefits. The income provided by Social Security benefits should help recipients keep up with cost-of-living increases in everyday items such as groceries, clothing, etc. while increases in medical expenses may be more subdued. This may also help minimize the need for retirees to dip deeper into their investable assets to cover their increasing expenses in 2022.

Should you have any questions or would like to discuss how these changes may affect your personal situation, please call your advisor or any member of your Calamos Wealth Advisory team.

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