

FICA/Social Security & Medicare

	Social Security Tax	Medicare Tax	FICA Tax (total)
Employee portion	6.2%	1.45%	7.65%
Employer portion	6.2%	1.45%	7.65%
Totals	12.4%	2.9%	15.3%
Self-employed	12.4%	2.9%	15.3%
Totals	12.4%	2.9%	15.3%

Earned Income Subject to Tax

Year	Max Earned Income Subject to Social Security Tax
2024	\$168,600.00

Earnings Cap

Retirement Profile	2023	2024
Under full retirement age*	\$21,240	\$22,320
Retires in year when reaches FR	\$56,250	\$59,520
Full retirement age	No cap	No cap

* For workers under full retirement age, \$1 in benefits will be withheld for every \$2 in earnings above the cap.

COLA Increase

2023	8.7%
2024	3.2%

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Full Retirement Age (FRA)

Year of Birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

Early Retirement Reduction at 62

Year of Birth	Percent of Reduction
1943-1954	25.00%
1955	25.83%
1956	26.67%
1957	27.50%
1958	28.33%
1959	29.17%
1960 or later	30.00%

* 5/9 of 1%: Benefits are reduced by 5/9 of 1% per month, up to a maximum of 36 months, depending on how many months remain until the taxpayer reaches FRA.

* 5/12 of 1%: If a taxpayer is more than 36 months from FRA, the reduction above is applied and for the remaining months until retirement the benefits are reduced to 5/12 of 1%.

Delayed Retirement Credits

Benefits increase 2/3 of 1% each month, or 8% each year, for a taxpayer born in 1942 or later.

Age of Client	Increase in Primary Insurance Amount (PIA)
66 Delay to 70	132%
67 Delay to 70	124%
68 Delay to 70	116%
69 Delay to 70	108%

Survivor Benefits*

Age of Survivor	Percentage of Benefit
60	71.5%
61	76.3%
62	81.0%
63	85.8%
64	90.5%
65	95.3%

*Based on an FRA of 67

Benefits for Divorced Spouses*

Ex-spouse must be at least age 62 before applying, but does not have to wait until the other spouse applies for benefits.

An ex-spouse:	<ul style="list-style-type: none"> • must have been married at least ten years • must have been divorced at least two years
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*does not reduce primary ex-spouse's benefit

Spousal Benefits

The spousal benefit is based on 50% of the other spouse's PIA

Step 1: Take higher wage earner's PIA

Step 2: Multiply by 0.50

Step 3: This equals the "Spousal Base"

Step 4: Take the "Spousal Base" found in Step 3 and subtract the second spouses PIA

Step 5: The difference between 50% of Spouse A's benefits and Spouse B's PIA = The Spousal Benefit

Medicare Premiums

The standard Part B premium for 2023 is \$164.90. If you're single and filing an individual tax return, or married and filed a joint tax return, the following chart applies: Use form SSA-44 to adjust premiums in the middle of a plan year if there is a drastic income change,

Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium	R _x Coverage Premium
2024		
Ind.: \$103,000 or less Married: \$206,000 or less	\$174.70	Plan Premium
Ind.: \$103,001 - \$129,000 Married: \$206,001 - \$258,000	Standard Premium + \$69.90	\$12.90 + your plan premium
Ind.: \$129,001 - \$161,000 Married: \$258,001 - \$322,000	Standard Premium + \$174.70	\$33.30 + your plan premium
Ind.: \$161,001 - \$193,000 Married: \$322,001 - \$386,000	Standard Premium + \$279.50	\$53.80 + your plan premium
Ind.: \$193,001 - \$500,000 Married: \$386,001 - \$750,000	Standard Premium + \$384.3062.60	\$74.20 + your plan premium

Taxation of Social Security Benefits

Combined Income

	Adjusted gross income (AGI, line 37 on Form 1040)
+	Nontaxable interest
+	Half of Social Security benefits
=	Combined Income

Filing Status	Combined Income	Percent of Income Subject to Taxes
Single, Head of Household, Qualifying Widow	\$25,000 - \$34,000	Up to 50% of Social Security Benefits
Single, Head of Household, Qualifying Widow	More than \$34,000	Up to 85% of Social Security Benefits
Married Filing Joint	\$32,000 - \$44,000	Up to 50% of Social Security Benefits
Married Filing Joint	More than \$44,000	Up to 85% of Social Security Benefits

Sign-up for your Social Security Profile

Visit www.ssa.gov and follow the steps below:

You will need the following: • Valid E-mail address
• Social Security number • U. S. Mailing address



1. Click on [my Social Security](#) along the middle left of the SS homepage.

2. Click on [Create an Account](#)

3. Click on [Create An Account](#) follow prompts.

Medicare Premiums Cont.

If you're married and lived with your spouse at some time during the taxable year, but filed separate tax returns, the following applies:

Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium	R _x Coverage Premium
2024		
Ind.: \$103,000 or less	\$174.70	Plan Premium
Ind.: \$103,001 or less than \$397,000	Standard Premium + \$384.30	\$74.20 + your plan premium
Ind.: \$397,000 or greater	Standard Premium + \$419.30	\$81.00 + your plan premium

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