



Update 2021

This update provides information about Social Security taxes, benefits, and costs for 2021. By law, some numbers change automatically each year to keep up with changes in price and wage levels.

Information for people who are working

Social Security and Medicare taxes		
Social Security taxes	2020	2021
Employee/employer (each)	6.2% on earnings up to \$137,700	6.2% on earnings up to \$142,800
Self-employed *Can be offset by income tax provisions	12.4%* on earnings up to \$137,700	12.4%* on earnings up to \$142,800
Medicare taxes	2020	2021
Employee/employer (each)	1.45% on all earnings	1.45% on all earnings
Self-employed *Can be offset by income tax provisions	2.9%* on all earnings	2.9%* on all earnings
High-income earners also pay an additional 0.9 percent in Medicare taxes on earnings above certain amounts. Check with the Internal Revenue Service for more details.		
Work credits		
When you work, you earn credits toward Social Security benefits. The number of credits you need to be eligible for Social Security benefits depends on your age and the type of benefit for which you are applying. You can earn a maximum of four credits each year. Most people need 40 credits to qualify for retirement benefits.		
	2020	2021
	\$1,410 earns one credit	\$1,470 earns one credit

Information for people who receive Social Security benefits

Earnings limits		
Under federal law, people who are receiving Social Security benefits, and who have not reached full retirement age, are entitled to receive all of their benefits as long as their earnings are under the limits indicated below. For people born in 1943 through 1954, the full retirement age is 66. The full retirement age increases gradually each year until it reaches age 67 for people born in 1960 or later.		
	2020	2021
At full retirement age or older	No limit on earnings	No limit on earnings
Under full retirement age	\$18,240 For every \$2 over the limit, \$1 is withheld from benefits.	\$18,960 For every \$2 over the limit, \$1 is withheld from benefits.
In the year you reach full retirement age	\$48,600 For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age.	\$50,520 For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age.
Disability beneficiaries' earnings limits: If you work while receiving disability benefits, you must tell us about your earnings no matter how little you earn. You may have unlimited earnings during a trial work period of up to nine months (not necessarily in a row) and still receive full benefits. Once you have completed your nine-month trial work period, we will determine if you are still entitled to disability benefits. You also may be eligible for other work incentives to help you make the transition back to work.		
	2020	2021
Substantial Gainful Activity (non-blind)	\$1,260 per month	\$1,310 per month
Substantial Gainful Activity (blind)	\$2,110 per month	\$2,190 per month
Trial work period month	\$910 per month	\$940 per month

Information for people who receive Supplemental Security Income (SSI)

Monthly federal SSI payment (maximum)		
	2020	2021
Individual	\$783	\$794
Couple	\$1,175	\$1,191
Monthly income limits		
	2020	2021
Individual whose income is only from wages	\$1,651	\$1,673
Individual whose income is not from wages	\$803	\$814
Couple whose income is only from wages	\$2,435	\$2,467
Couple whose income is not from wages	\$1,195	\$1,211

NOTE: If you have income, your monthly benefit generally will be lower than the maximum federal SSI payment. Remember, you must report all of your income to us. Some states add money to the federal SSI payment. If you live in one of these states, you may qualify for a higher payment. Your income can be greater than the limits indicated and you still may qualify.

Information for people on Medicare

Most Medicare costs are increasing this year to keep up with the rise in health care costs.		
	2020	2021
Hospital Insurance (Part A)		
For first 60 days in a hospital, patient pays	\$1,408	\$1,484
For 61st through 90th days in a hospital, patient pays	\$352 per day	\$371 per day
Beyond 90 days in a hospital, patient pays (for up to 60 more days)	\$704 per day	\$742 per day
For first 20 days in a skilled nursing facility, patient pays	\$0	\$0
For 21st through 100th days in a skilled nursing facility, patient pays	\$176 per day	\$185.50 per day
Part A Premium Buy-In: The amount of the premium you pay to buy Medicare Part A depends on the number of Social Security credits you have earned. If you have:		
40 credits	\$0	\$0
30-39 credits	\$252 per month	\$259 per month
less than 30 credits	\$458 per month	\$471 per month
Medical Insurance (Part B)		
	2020	2021
Premium	\$144.60 per month	\$148.50 per month**
Deductible	\$198 per year	\$203 per year
	After the patient has paid the deductible, Part B pays for 80 percent of covered services.	

NOTE: If you get Medicare and your income is low, your state may pay your Medicare premiums and, in some cases, your deductibles and other out-of-pocket medical expenses. Contact your local medical assistance (Medicaid) agency, social services, or welfare office for more information.

**Standard monthly premium is \$148.50. Some people with higher incomes pay higher premiums.



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