



2025 Social Security and Medicare guide

SOCIAL SECURITY

Determining your Social Security full retirement age (FRA)

Year of birth	Social Security FRA	Age 62 reduction
1941	age 65 and 8 months	23.33%
1942	age 65 and 10 months	24.17%
1943-1954	age 66	25.00%
1955	age 66 and 2 months	25.83%
1956	age 66 and 4 months	26.67%
1957	age 66 and 6 months	27.50%
1958	age 66 and 8 months	28.33%
1959	age 66 and 10 months	29.17%
1960 and later	age 67	30.00%

Must be at least age 62 for the entire month to receive benefit. If born on January 1, use the prior year of birth. Social Security Administration, Benefit Reduction for Early Retirement.

Social Security FICA payroll taxes

Wage base	\$176,100
Employee Social Security rate	6.2%
Employee Medicare rate	1.45%
Additional 0.9% high-income payroll tax for wages in excess of	Single or HOH: \$200,000 Married, filing jointly: \$250,000 Married, filing separately: \$125,000
Earnings required for 1 credit	\$1,810
Self-employed Social Security rate	12.4%
Self-employed Medicare rate	2.9%

Social Security Administration, Fact Sheet, 2025

Social Security benefits

Maximum monthly benefit	\$4,018
Earnings limitations and benefit reduction	Before FRA (\$1 for \$2 benefit reduction): \$23,400/year Year up until first of month one turns FRA (\$1 for \$3 benefit reduction): \$62,160/year After FRA: no reduction

Social Security Administration, Fact Sheet, 2025

Social Security benefits taxation	Single or HOH up to 50% taxable: \$25,000 MAGI up to 85% taxable: \$34,000 MAGI Married, filing jointly up to 50% taxable: \$32,000 MAGI up to 85% taxable: \$44,000 MAGI
(income in retirement causing 0%, up to 50%, or up to 85% of Social Security benefits to be taxable)	

Benefits Planner: Income Taxes and Your Social Security Benefits

Primary insurance amount (PIA) calculation

Average indexed monthly earnings (AIME)	PIA (as % of AIME)
\$0-\$1,226	90%
\$1,226-\$7,391	\$1,103 plus 32% of excess over \$1,226 through \$7,391
\$7,391+	\$3,076 plus 15% of the excess over \$7,391

Social Security Administration, Primary Insurance Amount, 2025

Social Security cost-of-living adjustments (COLAs)

NOTE: Percentage increase to benefits received, starting in January of the year indicated

Year	COLA (%)	Year	COLA (%)
2006	4.1%	2016	0%
2007	3.3%	2017	0.3%
2008	2.3%	2018	2.0%
2009	5.8%	2019	2.8%
2010	0.0%	2020	1.6%
2011	0.0%	2021	1.3%
2012	3.6%	2022	5.9%
2013	1.7%	2023	8.7%
2014	1.5%	2024	3.2%
2015	1.7%	2025	2.5%

Social Security Administration, Cost-of-Living Adjustment, 2025

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Medicare in 2025

Medicare Part B

There is a special rule for Social Security recipients, called the “hold harmless rule,” that ensures that Social Security benefits will not decline from one year to the next because of increases in Medicare Part B premiums. Whether this rule comes into play in a particular year depends on the amount of COLA and the Medicare Part B premium increase. The hold harmless rule will apply in 2025 for those people who had been paying the standard Part B premium if their Medicare Part B premium increased but the Social Security COLA amount was not large enough to cover the full amount of their increased premium. Those who are subject to the 2025 hold harmless rule will pay less than the full \$185.00 premium. Everyone else will pay the 2025 not held harmless premium. The MAGI used for the 2025 not held harmless premiums is based on the individual’s 2023 tax return.

Modified adjusted gross income (MAGI) 2023 tax year	2025 held harmless (HH)	2025 not held harmless	Premium level
Individual ≤\$106,000 Married, filing jointly ≤\$212,000	< \$185.00	\$185.00	Standard premium
Individual >\$106,000-\$133,000 Married, filing jointly >\$212,000-\$266,000		\$259.00	1.4 × standard
Individual >\$133,000-\$167,000 Married, filing jointly >\$266,000-\$334,000		\$370.00	2.0 × standard
Individual >\$167,000-\$200,000 Married, filing jointly >\$334,000-\$400,000		\$480.90	2.6 × standard
Individual >\$200,000-\$500,000 Married, filing jointly >\$400,000-\$750,000		\$591.90	3.2 × standard
Individual >\$500,000 Married, filing jointly >\$750,000		\$628.90	3.4 × standard

Centers for Medicare and Medicaid Services, 2025 Medicare Parts A & B Premiums and Deductibles, November 8, 2024.

2025 held harmless premium consists of: 2024 premium amount + the increase amount, if any, of their Social Security benefit due to the 2.5% COLA for 2025 (capped at \$185.00).

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Medicare income brackets for determining monthly premiums

Higher-income Medicare beneficiaries have been paying more for their Medicare Part B and Part D coverage for several years in the form of income-related monthly adjustment amounts. The 2023 tax return will be used to set those 2025 income-related monthly adjustment accounts (IRMAA) payments using this new tiered system to determine Medicare Part B premiums.

New for 2025: \$2,000 cap on covered Part D drugs

Starting in 2025, all Medicare Part D drug plans will include a \$2,000 cap on what you pay out-of-pocket for prescription drugs covered by your plan. If your out-of-pocket spending on covered drugs reaches \$2,000, you'll automatically receive "catastrophic coverage." Be sure to check with your plan for further details.

Medicare Part D prescription benefits

Modified adjusted gross income (MAGI) 2023 tax year	PART D 2025 monthly premium
Individual ≤\$106,000 Married couple ≤\$212,000	Plan premium
Individual >\$106,000-\$133,000 Married couple >\$212,000-\$266,000	\$13.70 + plan premium
Individual >\$133,000-\$167,000 Married couple >\$266,000-\$344,000	\$35.30 + plan premium
Individual >\$167,000-\$200,000 Married couple >\$334,000-\$400,000	\$57.00 + plan premium
Individual >\$200,000-\$500,000 Married couple >\$400,000-\$750,000	\$78.60 + plan premium
Individual >\$500,000 Married couple >\$750,000	\$85.80 + plan premium

Centers for Medicare and Medicaid Services, 2025 Medicare Parts A & B Premiums and Deductibles, November 8, 2024.

NOTE: Some prescription drug plans have different levels or “tiers” of copayments, with different costs for different types of drugs.

Average monthly premium, deductible, and/or coinsurance varies by plan.

Please note the hold harmless rule does not apply to Medicare Part D premiums for prescription drugs.