

DECEMBER 2023



Social Security and Medicare: Current Facts and Figures

The Many Faces of Social Security

- Nearly 182 million workers contribute to Social Security through payroll taxes.
- Nearly 68 million people receive monthly Social Security benefits:
 - 53 million people receive retirement benefits
 - 5.8 million people receive survivors' benefits
 - 8.5 million people receive disability benefits.
- [Beneficiaries by state](#)

Average November 2023 Monthly Social Security Benefit

- A retired worker: \$1,845
- A retired couple: \$2,731
- Disabled worker: \$1,490
- Disabled worker with spouse and child: \$2,374
- Widow or widower: \$1,718
- Young widow or widower with two children: \$3,377
- Maximum Monthly Social Security Benefit: \$3,627 (for worker retiring at Full Retirement Age).

Social Security Cost of Living Adjustment (COLA) for 2024: 3.2%

2024 Social Security and Medicare Contribution Amounts

Social Security: 6.2% for both workers and employers. This contribution is paid on earnings up to \$168,600.

Medicare: 1.45% for both workers and employers on all wages.

2024 Social Security Eligibility

Full Retirement Age: Depends on your birth year.

Early Retirement Age: 62 (drawing benefits before the full retirement age can reduce Social Security benefits up to 30 percent)

Social Security: When and How to Apply for Benefits

Generally, you should apply for Social Security benefits four months before the date you want your benefits to begin. Click here for more information on when you can apply for Social Security: <https://www.ssa.gov/planners/retire/>. You can apply in one of the following ways:

- Visit your local Social Security office. Call 1-800-772-1213 to find the nearest office.
- Call Social Security at 1-800-772-1213. If you are deaf or hard of hearing, you can call Social Security at TTY 1-800-325-0778.
- Online: <https://secure.ssa.gov/iClaim/rib>

The Many Faces of Medicare

- Nearly 182 million workers contribute to Medicare through payroll taxes.
- Approximately 67 million people receive Medicare benefits, including:
 - 58.5 million people age 65 and older
 - 7.9 million people with disabilities under 65
- [Beneficiaries by state](#)

2024 Medicare Part A (Hospital Coverage)

Deductible: \$1,632 (first 60 days of Medicare-covered inpatient hospital care)
Coinsurance: \$0 (Days 1-60), \$408 per day (Days 61-90)

2024 Medicare Part B (Physician Coverage)

For all beneficiaries: Part B deductible is \$240 and the Part B copayment is 20%.

Individual's income in 2023	Couple's income in 2023	Your 2024 Part B Monthly Premium
\$103,000 or less	\$206,000 or less	\$174.70
\$103,000 - \$129,000	\$206,000 - \$258,000	\$244.60
\$129,000 - \$161,000	\$258,000 - \$322,000	\$349.40
\$161,000 - \$193,000	\$322,000 - \$386,000	\$454.20
\$193,000 - \$500,000	\$386,000 - \$750,000	\$559.00
\$500,000 and Above	\$750,000 and Above	\$594.00

2024 Medicare Part D (Prescription Drug Coverage)

Monthly Premium: Varies by plan
Deductible: Varies by plan, \$545 maximum

Doughnut Hole: \$5,030 - \$8,000. Beneficiaries in the doughnut hole will pay up to 25% out of pocket for all covered medications. 2024 is the last year for the doughnut hole. A \$2,000 out-of-pocket cap takes effect for Medicare Part D in 2025.

Cap on Out-of-pocket Costs: \$8,000

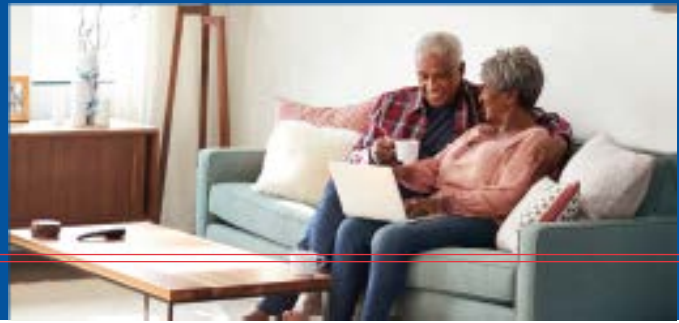
In addition to a monthly plan premium, high-income individuals will pay an income-related monthly adjustment amount as noted below:

Individual's income in 2023	Couple's income in 2023	Income-related monthly adjustment amount
\$103,000 or less	\$206,000 or less	\$0.00
\$103,000 - \$129,000	\$206,000 - \$258,000	\$12.90
\$129,000 - \$161,000	\$258,000 - \$322,000	\$33.30
\$161,000 - \$193,000	\$322,000 - \$386,000	\$53.80
\$193,000 - \$500,000	\$386,000 - \$750,000	\$74.20
\$500,000 and Above	\$750,000 and Above	\$81.00

Medicare: When and How to Apply for Benefits

Medicare is available for people age 65 or older, younger people with disabilities and people with End Stage Renal Disease. If you sign up after you turn 65, you may be penalized unless you have other coverage.

For information about when to apply for Medicare go to <https://www.ssa.gov/medicare>. To apply for Medicare, call 1-800-772-1213 or visit www.medicare.gov.



Debt Commission Legislation Fast Tracks Cuts to Social Security and Medicare

On January 18, 2024 the House Budget Committee passed **H.R. 5779, the Fiscal Commission Act**, introduced by Rep. Bill Huizenga (R-MI), on a 22-12 vote and House Republican leaders say they are looking to get it to the House floor quickly.

Sens. Joe Manchin (D-WV) and Mitt Romney (R-UT) have also introduced companion legislation in the Senate, **S. 3262, the Fiscal Stability Act**.

The legislation establishes a 16-member "Fiscal Commission" appointed by congressional leaders. Twelve members of the commission would be members of Congress and the other four would be "outside experts." It would make recommendations on how to balance the federal budget to address the growth of direct spending and to improve the solvency of Federal trust funds, including Social Security and Medicare, for at least 75 years. There is no requirement that the Commission's deliberations would be open to the public.

The Commission's recommendations would then be delivered to Congress immediately following the November 2024 elections, with the requirements that each chamber conduct an immediate up or down vote on the recommendations without any opportunities for changes or amendments. The bills only discuss cuts without mentioning consideration of revenue increases.

Alliance for Retired Americans Position

The Alliance for Retired Americans strongly opposes H.R. 5779 and S. 3262, and any other legislation to create committees or commissions to do the work of Americans' elected representatives without input from the American people.

Retirees have earned their Social Security and Medicare benefits over a lifetime of work. The benefits ensure older Americans receive the health care they need, and provide income for more than 66 million Americans. These benefits are critical and they should not be cut.

The Alliance urges Congress to strengthen the solvency of our nation's retirement programs and expand Social Security and Medicare benefits by making the wealthiest pay their fair share into these programs.

Social Security Does Not Contribute to the Deficit

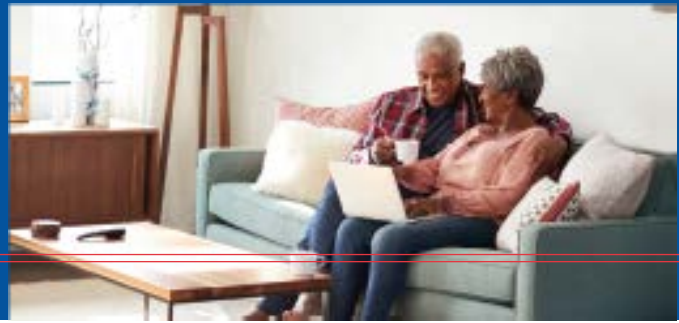
The premise of the commission is flawed. Social Security does not contribute to the federal debt or the deficit. By law, the Social Security Administration cannot borrow funds. The program has its own dedicated revenue source — specifically, payroll contributions from workers, as well as interest on special interest bonds and revenue from higher earners who pay taxes on their Social Security earnings.

The Commissions Are Anti-Democratic

The bills call for a closed door, fast-track process that dramatically limits public input, excludes the traditional committee process from acting on the legislation, and does not allow amendments or full debate. Additionally, most Americans' elected representatives in Congress will not be able to even debate the proposals, much less amend any commission recommendations.

Outcome is Pre-determined

The mandate given the commissions is narrow and designed to produce recommendations for cuts to Social Security and Medicare. Any discussion of changes to these programs must include ways to increase revenue instead of exclusively focusing on benefit cuts.



The Inflation Reduction Act and Prescription Drug Prices

Americans pay the highest prices for prescription drugs in the world, and older and retired Americans, who take the most medications to stay healthy and often live on fixed incomes, bear the brunt of this crisis. One in four people over the age of 65 reports not taking at least one prescription drug as prescribed due to its cost. Meanwhile, pharmaceutical corporations are making record profits, lining the pockets of their executives and shareholders while patients struggle to afford the drugs they need to stay healthy.

To help reverse the pharmaceutical industry's stranglehold on our health care system, on August 16, 2022 President Biden signed the Inflation Reduction Act into law. It means lower prescription drug prices for millions of Medicare beneficiaries.

The law is already lowering prescription drug prices.

Medicare beneficiaries pay no more than \$35 per month for insulin.

Co-pays for a one month supply of insulin are capped in Medicare Part D and Medicare Advantage Prescription Drug Plans (MA-PDs) at \$35.

This provision helps more than 3.3 million Medicare beneficiaries who use one or more of the common forms of insulin.

All recommended adult vaccines are free for Medicare beneficiaries.

4.1 million Medicare beneficiaries with Medicare Part D and MA-PDs no longer have a co-payment for any vaccines that are recommended for adults by the Advisory Committee on Immunization Practices. For example, the shingles vaccine, which previously cost more than \$300 per patient, is now free.

Drug corporations are prohibited from increasing the price they charge Medicare for a drug more than the rate of inflation.

Drug corporations that increase the price of its products faster than their inflationary cost must pay the amount that exceeds inflation back to Medicare. This provision addresses brand name drug corporations' long-standing practice of yearly price increases — often more than twice the rate of inflation — and helps reduce the amount seniors pay for their prescriptions. It will also strengthen the Medicare program's finances.

Out of pocket prescription drug expenditures are capped for Medicare Part D and MA-PD beneficiaries:

If a beneficiary's drug costs are high enough to reach the catastrophic coverage phase, they will not have to pay coinsurance or make copayments. In 2024 annual out of pocket drug expenses are effectively capped at \$3,250.

In 2025, Medicare Part D beneficiaries will not have to pay more than \$2,000 per year for out of pocket prescription drug costs. This will help the 1.4 million beneficiaries who today spend more than \$2,000 each year on prescription drugs.

Requiring Medicare to negotiate lower prices for the 20 highest priced prescription drugs:

The Inflation Reduction Act repeals the 2003 Medicare Prescription Drug, Improvement and Modernization Act. That law explicitly prohibited HHS from negotiating for lower prescription drug prices with the pharmaceutical industry on behalf of Medicare beneficiaries. The Alliance worked for nearly two decades to convince Congress to allow HHS to negotiate lower drug prices.

Under the Inflation Reduction Act, in 2026 the Secretary of Health and Human Services must negotiate the prices for 10 Medicare Part D drugs, and 15 in 2027. In 2028 HHS will negotiate the prices of 15 high priced drugs in Parts B and D, while in 2029 and thereafter, HHS will negotiate prices of 20 prescription drugs from Parts B and D.

An extension of Affordable Care Act subsidies for three years:

The Inflation Reduction Act will help approximately 13 million Americans pay for health insurance and prevent 3 million from becoming uninsured. It does this by extending premium subsidies that low and middle-income people received during the coronavirus pandemic to get health coverage under the Affordable Care Act through 2025. It also allows those with higher incomes who became eligible for such subsidies during the pandemic to keep them.