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No Change in Some Social Security, Medicaid Limits for 2010

Social Security

With consumer prices down over the past year, monthly Social Security and Supplemental Security Income benefits for more than 57 million Americans will not automatically increase in 2010. This will be the first year without an automatic Cost-of-Living Adjustment (COLA) since they went into effect in 1975.

The Social Security Act provides that Social Security and Supplemental Security Income benefits increase automatically each year if there is an increase in the Bureau of Labor Statistics' *Consumer Price Index for Urban Wage Earners and Clerical Workers* (CPI-W) from the third quarter of the last year to the third quarter of the current year. This year there was no increase in the CPI-W from the third quarter of 2008 to the third quarter of 2009. In addition, because there was no increase in the CPI-W this year, under the law the starting point for determinations regarding a possible 2011 COLA will remain the third quarter of 2008.

Maximum Taxable Earnings -- \$106,800. Since there is no COLA, the statute prohibits an increase in the maximum amount of earnings subject to the Social Security tax as well as the retirement earnings test exempt amounts. These amounts will remain unchanged in 2010.

Earnings Limits During Early Retirement -- \$14,160 and \$37,680. Persons may receive early Social Security Retirement beginning at age 62. From age 62 through the year prior to the year you reach full retirement age (based on your birth year), your Social Security benefits will be reduced \$1 for every \$2 earned in excess of \$14,160 (\$1,180/month). During the year you reach full retirement age, your benefits will be reduced \$1 for every \$3 earned in excess of \$37,680 (\$3,140/month) in the months before you reach full retirement age. (There is no reduction for earned income after you reach full retirement age.)

Supplemental Security Income (SSI) -- \$674 individual and \$1,011 couple. The maximum monthly SSI benefit for disabled persons with low income and assets remains the same in 2010.

Medicare

Medicare Part B Premium -- \$96.40. Most Medicare beneficiaries will continue to pay the same \$96.40 Part B premium amount in 2010. Beneficiaries who currently have the Social Security Administration (SSA) withhold their Part B premium and have incomes of \$85,000 or less (or \$170,000 or less for joint filers) *will not* have an increase in their Part B premium for 2010. For all others (including new enrollees during the year and those who do not have the

premium withheld from their Social Security check), the standard Medicare Part B monthly premium will be \$110.50 in 2010, which is a 15% increase over the 2009 premium. The Medicare Part B premium is increasing in 2010 due to possible increases in Part B costs. If your income is above \$85,000 (single) or \$170,000 (married couple), then your Medicare Part B premium may be higher than \$110.50 per month.

Medicaid

For the first time since 1989, when a law was enacted protecting the spouses of institutionalized Medicaid recipients from impoverishment, the federal Centers for Medicare and Medicaid Services is not raising its guidelines for how much money the husbands or wives of institutionalized Medicaid recipients may keep. With no increase in the consumer price index on which these figures are based, the resource and income guidelines that prevailed in 2009 will apply in 2010 as well. This follows the [announcement by Social Security Administration](#) that there would be no cost of living increase in Social Security benefits.

Community Spouse Resource Allowance (CSRA) -- \$109,560. In 2009 and 2010, the spouse of a Medicaid recipient living in a nursing home (called the "community spouse") can keep as much as **\$109,560** in financial assets without jeopardizing the Medicaid eligibility of the spouse who is receiving long-term care. Called the "community spouse resource allowance," this is the most that a state may allow a community spouse to retain without a hearing or a court order. Mississippi allows the community spouse to keep this amount of financial assets (in addition to the house, household furnishings, automobiles and some other "exempt" assets) while the nursing home spouse is eligible for Medicaid assistance.

Maximum Monthly Maintenance Needs Allowance -- \$2,739. Meanwhile, the maximum monthly maintenance needs allowance for 2009 and 2010 is **\$2,739**. This is the monthly income threshold that a community spouse is allowed to have. This means that if the community spouse's own income is below this amount, she will be allowed to keep enough of the institutionalized spouse's income to get her total income up to \$2,739. These figures apply only if the community spouse needs to take income from the institutionalized spouse. According to Medicaid law, the community spouse may keep all her own income, even if it exceeds the \$2,739 maximum monthly maintenance needs allowance.

If you need assistance with Medicaid eligibility planning for long-term care costs, call us today at 866-ELDERLAW(353-3752). We can help!