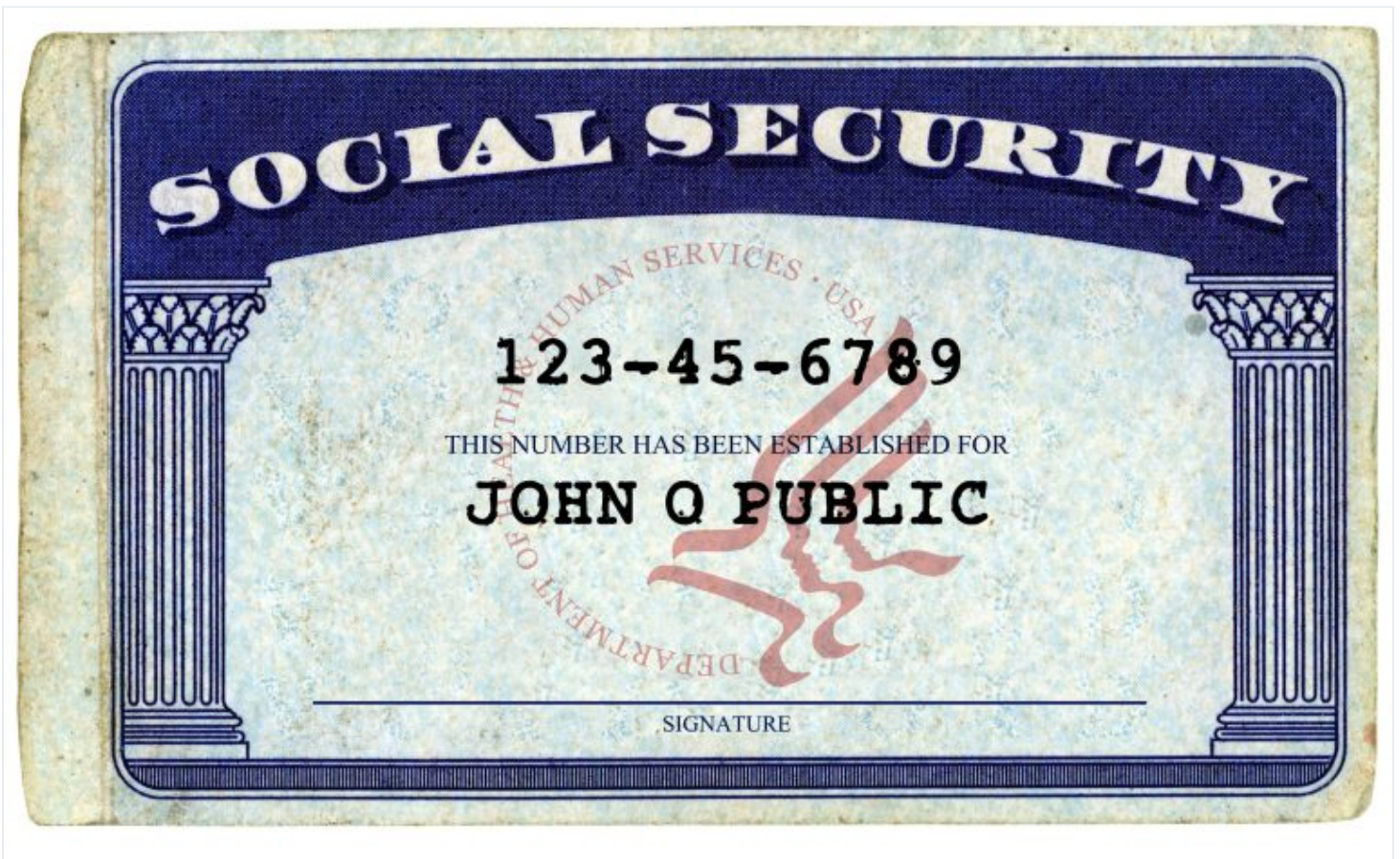


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administration announced Thursday. That's about \$140 more per month for beneficiaries.

Oct. 13, 2022



By Moira Ritter, The Charlotte Observer (via TNS).

Social Security beneficiaries are set to get the largest boost to their benefits in four decades. The 2023 [cost-of-living adjustment](#), or COLA, will be 8.7%, the Social Security Administration announced Thursday. That's about \$140 more per month for beneficiaries.

Although the changes will take effect in December 2022, beneficiaries won't see the

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Keeping up with inflation

Social Security benefits are adjusted annually to account for inflation.

“The change means that inflation no longer drains value from Social Security benefits,” the administration says.

The SSA uses the previous year's Consumer Price Index for Urban Wage Earners and Clerical Workers in July, August and September to determine the coming year's COLA. So for example, 2023's COLA was determined using the past three months' inflation rates.

In December 2021, the administration [enacted a 5.9% COLA for 2022](#), which at the time was the biggest adjustment since 1982. Inflation quickly outpaced this adjustment though.

The latest adjustment is expected to help beneficiaries keep up with rising prices.

As inflation has continued to rise, beneficiaries need the most support affording health care, housing and food, according to Mary Johnson, The Senior Citizens League's social security and medicare policy analyst.

In September, increases in medical care, housing and food were the biggest contributors to inflation's growth, according to the BLS. Over the past 12 months, health care prices rose 6.5%, housing prices rose 6.6% and food prices rose 11.2%.

Lower Medicare premiums

A boosted COLA typically does not account for changes in Medicare fees, which are automatically deducted from benefits.

In years when the change in Medicare fees, usually an increase, is greater than the

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Medicaid Services.

Medicare enrollees will see a standard monthly premium of \$164.90, a decrease of \$5.20 from 2022's monthly premium, the CMS announced Sept. 27. The annual deductible will decrease \$7, to \$226 in 2023.

The last [time premiums decreased](#) was in 2012, according to The New York Times.

The 2023 decrease "is excellent news for seniors and people with disabilities who receive Medicare, most of whom have these premiums deducted directly from their Social Security payments," Nancy Altman, president of Social Security Works, said in a Sept. 27 news release.

4 million children will also benefit

An estimated 4 million children [receive Social Security benefits](#), according to the AARP.

Children of retired, deceased and disabled workers can receive benefits based on their parent's earning record, AARP says. Grandchildren can also qualify for their grandparents' benefits in some cases.

"We should understand [the increase in the COLA](#) will have a positive net benefit on the entire household — not just older members of the family," Maya Rockey Moore Cummings, a nonresident senior fellow at Brookings Metro, part of the Brookings Institution, and the CEO of Global Policy Solutions, a social change strategy firm, told PBS News.

Low-income children and their families will benefit most from the increase, Altman told PBS.

Insolvency on the horizon

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2034. After that, the fund will only be able to pay 77% of scheduled benefits.

Furthermore, MacGuineas says an increase in the COLA “exacerbates the spiral and cycle of inflation.” As this cycle continues, the more likely it is that the United States will fall into a recession.

“If purchasing power continues to grow, that means more pressure on (the) Fed to raise interest rates,” MacGuineas said.

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