

Social Security Amounts for 2021

The Social Security Administration has announced the new amounts for 2021. The gross Social Security benefits are increasing 1.3% for 2021. Some of the other limits change by different percentages. Here is the information for 2021 (followed by 2020 amounts):

The amount of earnings subject to Social Security taxes increases to \$142,800 (up from \$137,700 for 2020). This translates into an additional \$316.20 of social security tax withholding. The employer would also match that amount and the self-employed would be subject to both parts at \$632.40.

The amount of earnings required to be subjected to Social Security taxes in order to receive a quarter of coverage increases to \$1,470 (up from \$1,410).

Earnings limitations for taxpayers who have not reached full retirement age (before having to repay Social Security benefits) increases to \$18,960 (\$1,580/month) [up from \$18,240 (\$1,520/month)].

Earnings limitations for taxpayers who reach full retirement age in the current year (before having to repay Social Security benefits) increases to \$50,520 (\$4,210/month) [up from \$48,600 (\$4,050/month)]. (“Full retirement age” is age 66 for those born in 1943-1954 and age 66 years and 2 months for those born in 1955.)

The amount of the SSI Federal Payment Standard increases to \$794/month (up from \$783/month). For a married couple this increases to \$1,191 (up from \$1,175/month). The SSI Student Exclusion Limits increases to \$1,930/month with an annual limit of \$7,770 (up from \$1,900/month with the annual limit of \$7,670).

The Substantial Gainful Activity earnings increase to \$1,310/month for non-blind disabled recipients (up from \$1,260) while the blind disabled recipient amount increases to \$2,190 (up from \$2,110 month). The Trial Work Period earnings increase to \$940/month (up from \$910/month).

The full Social Security Administration Press Release (including a link to the Fact Sheet) can be found by going to [ssa.gov](https://www.ssa.gov), clicking on Press Releases, and opening the Press Release from October 13, 2020, titled “Social Security Announces 1.3 Percent Benefit Increase for 2021.”

This text has been shared as a courtesy of: David & Mary Mellem, EAs & Ashwaubenon Tax Professionals, 920-496-1065 (fax 920-496-9111).

©2020 Ashwaubenon Tax Professionals. No reproduction of this article is permitted without the express consent of Ashwaubenon Tax Professionals, 2140 Holmgren Way, Suite 1040, Green Bay, WI 54304.

If you would like to be removed from our email list, send us an email with UNSUBSCRIBE in the subject line. If someone would like to be added to our email list, have them send us an email with SUBSCRIBE in the subject line.