

Social Security COLAs for 2010

Automatic cost-of-living adjustments (COLAs) were created for Social Security benefits in 1975. For the first time since then, in 2010 there was no COLA. Here are the basic Social Security numbers for your reference.

Tax rate for employees	7.65%
Tax rate for self-employed	15.30%

Maximum earnings taxable	
Social Security wage base	\$106,800
Medicare wage base	no limit

Retirement earnings test exempt amounts	
Under full retirement age	\$14,160
(\$1 in benefits is withheld for every \$2 in earnings above the limit.)	
For the year in which full retirement age is reached	\$37,680
(\$1 in benefits is withheld for every \$3 in earnings above the limit, but only for months prior to reaching full retirement age.)	
After full retirement age is reached	no limit

Taxation of Social Security benefits	
Singles with a "provisional income"*	
below \$25,000	no tax on benefits
from \$25,000 to \$34,000	tax on 50% of benefits
over \$34,000	tax on up to 85% of benefits
Marrieds filing a joint return with a "provisional income"*	
below \$32,000	no tax on benefits
from \$32,000 to \$44,000	tax on 50% of benefits
over \$44,000	pays tax on up to 85% of benefits

*The IRS defines "provisional income" as your modified adjusted gross income (MAGI) plus nontaxable interest plus one-half of your Social Security benefits. (MAGI is adjusted gross income plus tax-exempt income.)

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