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No Annual Cost Of Living Adjustment Expected For Next Year

*New Analysis By The Senior Citizens League Confirms*

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**(Washington, DC) –** A new analysis of government price data confirms there won’t be any Social Security cost - of - living adjustment (COLA) next year, according to The Senior Citizens League (TSCL). “There’s been a drop in inflation driven by an on-going drop in gasoline prices,” says TSCL Chairman Ed Cates. According to the most recent [government data](http://www.eia.gov/petroleum/gasdiesel/), gasoline prices continued a downward decline in September. “We expect that the overall inflation data through September will be lower than it was a year ago and that no COLA will be payable,” Cates adds.

This would be the third time since 2009 that inflation is too low for the annual Social Security boost. And, since that year, COLAs have only averaged 1.4 percent annually, but over the same period beneficiaries have reported big increases in their real costs. A survey conducted by TSCL earlier this year found that 87 percent of respondents said that the 2015 COLA raised their benefits by less than $29 a month. Yet 90 percent of the survey participants reported that their real monthly expenses had increased by more than $39 a month over the past 12 months. A study by TSCL has found that Social Security benefits have lost about [22 percent of their buying power](http://seniorsleague.org/2015/social-security-benefits-lose-22-of-buying-power-since-2000/) since 2000.

The Social Security Administration will confirm whether there will be a COLA the middle of October,” Cates says. The lack of a Social Security COLA would trigger an unusually steep increase in Medicare premiums due to a special provision of law, according to the most recent [report](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index.html?redirect=/reportstrustfunds/) from the Medicare Trustees. About one out of three beneficiaries may be hit with Part B increases of an estimated 52%.

When there is no COLA, a law known as the “hold harmless provision” protects the majority of Medicare beneficiaries, who have Part B premiums automatically deducted from their Social Security benefits. About 70% will pay the same amount that they paid in 2015. The special “hold harmless” provision of law protects people from a reduction to their Social Security benefits when the dollar amount of increase in the Part B Medicare premium exceeds the dollar amount of the COLA increase.

But when the provision is triggered, the overall Medicare Part B premium costs are shifted over the much smaller remaining base, about 30% of beneficiaries who aren’t protected by the hold harmless provision. Although the base Part B premium has not been announced yet by the government, Medicare Trustees have [estimated](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index.html?redirect=/reportstrustfunds/) that it will rise from $104.90 per month in 2015 to $159.30 per month in 2016. According to the Medicare Trustees, the following categories of people would be affected by higher premiums:

* People who do NOT have Medicare Part B premiums automatically deducted from Social Security payments, including people who are still working and haven’t started benefits.
* Nine million low-income people who receive both Medicare and Medicaid benefits. Because their Part B premiums are paid for by state Medicaid programs, the Part B premiums of these beneficiaries aren’t deducted from their Social Security benefits.
* People enrolling in Medicare for the first time.
* Medicare beneficiaries with incomes above $85,000 (individual) or $170,000 (joint).

The federal government will be notifying beneficiaries and verifying what they will pay in Part B premiums later this year. TSCL intends to work for emergency legislation to provide COLA and Medicare premium relief for seniors in 2016 should there be no COLA. The Senior Citizens League also supports legislation that would provide greater retirement security by basing COLAs on the Consumer Price Index for the Elderly (CPI-E). To learn more, visit www.SeniorsLeague.org.

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*With 1.2 million supporters, The Senior Citizens League is one of the nation’s largest nonpartisan seniors groups. Its mission is to promote and assist members and supporters, to educate and alert senior citizens about their rights and freedoms as U.S. Citizens, and to protect and defend the benefits senior citizens have earned and paid for. The Senior Citizens League is a proud affiliate of The Retired Enlisted Association. Visit* [*www.SeniorsLeague.org*](http://www.SeniorsLeague.org) *for more information.*