



500 Montgomery St.
Suite 400
Alexandria, VA 22314
1-800-333-8725
www.SeniorsLeague.org

Media Contacts:
Jessie Gibbons: 800-333-8725
jgibbons@tsclhq.org
Mary Johnson: 540-832-5513
mary.johnson.nld@gmail.com

NEWS RELEASE
Immediate Release
October 11, 2018

More Than 5 Million Social Security Recipients May Not See Any Growth in Net Benefits Despite Highest COLA in Seven Years

According to New Analysis From The Senior Citizens League

(Washington, DC) – More than 5 million Social Security recipients with the lowest benefits are unlikely to see any net growth in their monthly checks after deduction of the Medicare Part B premium in 2019, according to a new analysis released by [The Senior Citizens League](#). This will occur despite their receiving the highest cost-of-living adjustment (COLA) in seven years. Those affected have a gross Social Security benefit of about \$635 per month or less before deduction of the Part B premium. According to the analysis, the dollar amount of their Part B premium increase will be more than the dollar amount of their COLA. “This would make the fourth year in a row that this particular group has not seen a boost in their net Social Security benefits after the deduction for Medicare Part B premiums,” says Mary Johnson, a Social Security and Medicare policy analyst for the League.

The Senior Citizens League’s estimate is based on an expected Part B increase of \$1.50 per month, from \$134.00 in 2018 to \$135.50 per month in 2019, as estimated by the Medicare Trustees in June of this year. “A Part B increase any more than \$1.50 per month would mean that even more people at even higher benefit levels would potentially be affected by the Social Security ‘hold-harmless’ provision again in 2019,” Johnson notes.

The Medicare Part B premium payment is automatically deducted from monthly Social Security benefits of most retired and disabled recipients. The hold-harmless provision is triggered when the dollar amount of a qualified individual’s COLA is less than the dollar amount of the increase in their Medicare Part B premium. When this occurs, the individual’s Medicare premium is adjusted in order to prevent a reduction in their net Social Security benefit from one year to the next.

In 2006, Johnson first forecast that the hold-harmless provision—which at the time was virtually unknown by the public—would begin to be triggered more often by the year 2012, due to rapid growth in Medicare Part B premiums and weak growth in COLAs. Indeed that provision was first triggered on a nation-wide basis in 2010, and triggered again in 2011, when inflation was too low for a COLA to be payable, and the Medicare Part B premium subsequently soared.

The hold-harmless provision was again triggered on a nation-wide basis in 2016, when the COLA was zero, and again in 2017, when it was just 0.03 percent. In the meantime the Part B

premium rose to \$134.00 per month. In 2018, the COLA finally boosted benefits by 2 percent, but even so, roughly half of all beneficiaries reported that the increase in Part B premiums offset their entire COLA this year.

“The bottom line is that Medicare Part B premiums rise several times faster than COLAs, and those premiums are now high enough to cause the net Social Security benefits of millions of people to remain flat for years at a time,” Johnson says. “We are at the point where this is affecting far more people than anyone ever anticipated, and it’s a red flag that Medicare premiums are increasing too fast, while Social Security benefits are not adequately keeping pace,” she explains.

The Senior Citizens League supports the “Seniors Security Act,” legislation that would adopt the Consumer Price Index for Elder Consumers (CPI-E), an index that more closely reflects the costs of retirees, to calculate the annual COLA and would ensure that Part B premium never amounts to more than 30 percent of an individual’s COLA increase. To learn more, visit www.SeniorsLeague.org.

###

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 for more information.