

This update provides new information for 2009 for many items such as Social Security taxes and benefits. By law, some numbers change automatically each year to keep the program up to date with price and wage levels. Whether you are working or you are already getting Social Security benefits, these changes are important to you.

Information for people who are working

Social Security and Medicare taxes		
<i>Social Security taxes</i>	2009	2010
Employee/employer (each)	6.2% on earnings up to \$106,800	6.2% on earnings up to \$106,800
Self-employed <small>*Can be offset by income tax provisions</small>	12.4%* on earnings up to \$106,800	12.4%* on earnings up to \$106,800
<i>Medicare taxes</i>	2009	2010
Employee/employer (each)	1.45% on all earnings	1.45% on all earnings
Self-employed <small>*Can be offset by income tax provisions</small>	2.9%* on all earnings	2.9%* on all earnings
Work credits—When you work, you earn credits toward Social Security benefits. You need a certain number of credits to be eligible for Social Security benefits. The number you need depends on your age and the type of benefit for which you are applying. You can earn a maximum of four credits each year. Most people need 40 credits to qualify for retirement benefits.		
	2009	2010
	\$1,090 earns one credit	\$1,120 earns one credit

Information for people who receive Social Security benefits

Earnings limits		
Under federal law, people who are receiving Social Security benefits who have not reached full retirement age are entitled to receive all of their benefits as long as their earnings are under the limits indicated below. For people born in 1943 through 1954, the full retirement age is 66. The full retirement age will increase gradually each year until it reaches age 67 for people born in 1960 or later.		
	2009	2010
At full retirement age or older	No limit on earnings	No limit on earnings
Under full retirement age	\$14,160 For every \$2 over the limit, \$1 is withheld from benefits.	\$14,160 For every \$2 over the limit, \$1 is withheld from benefits.
In the year you reach full retirement age	\$37,680 For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age.	\$37,680 For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age.
Disability beneficiaries' earnings limits: If you work while receiving disability benefits, you must tell us about your earnings no matter how little you earn. You may have unlimited earnings during a trial work period of up to nine months (not necessarily in a row) and still receive full benefits. Once you have completed your nine-month trial work period, we will determine if you are still entitled to disability benefits. You also may be eligible for other work incentives to help you make the transition back to work.		
Substantial Gainful Activity (non-blind)	\$980 per month	\$1,000 per month
Substantial Gainful Activity (blind)	\$1,640 per month	\$1,640 per month
Trial work period month	\$700 per month	\$720 per month

(over)

