

SOCIAL SECURITY & MEDICARE

SOCIAL SECURITY BENEFITS, REPORTING, TAXATION, AND MEDICARE FAST ANSWER CHARTS

TAX YEAR **2024**

Social Security—How to Qualify for Benefits

- Individuals work and pay Social Security taxes to earn credits toward Social Security benefits.
- The number of credits needed to qualify for benefits depends on when the individual was born.

- Credits**
- A worker receives one credit for each \$1,730 earned in 2024.
 - The amount of earnings needed for a quarter of coverage increases automatically each year with increases in the national average wage index.
 - A maximum of four credits may be earned annually.

Taxability of Social Security Benefits

Taxable		Nontaxable
• Retirement benefits	• Spousal benefits	• Supplemental Security Income (SSI) • Lump-sum death benefit
• Survivor benefits	• Disability benefits	
• Family benefits		

Working While Receiving Social Security Benefits

A person can receive Social Security retirement or survivor's benefits and work at the same time. However, benefits may be reduced based on age and earnings amount. Different rules apply to disability benefits recipients who continue to work.

Age	Reduction in Benefits
Full retirement age.	No reduction in benefits.
Year of full retirement age.	Benefits are reduced by \$1 for every \$3 in excess of \$59,520 (2024).
Younger than full retirement age at the end of year.	Benefits are reduced by \$1 for each \$2 earned above \$22,320 (2024).

Social Security—Full Retirement Age

Year of Birth	Full Retirement Age	Year of Birth	Full Retirement Age
Born prior to 1938	Age 65	1955	Age 66, 2 months
1938	Age 65, 2 months	1956	Age 66, 4 months
1939	Age 65, 4 months	1957	Age 66, 6 months
1940	Age 65, 6 months	1958	Age 66, 8 months
1941	Age 65, 8 months	1959	Age 66, 10 months
1942	Age 65, 10 months	1960 or later	Age 67
1943 – 1954	Age 66		

January 1 birthday. Individuals born on January 1 of any year should refer to the previous year in this chart.

2024 Social Security and Medicare Highlights

Social Security benefits increase 3.2%	Medicare tax rate:
Maximum earnings subject to:	Employee 1.45%
Social Security tax..... \$168,600	Self-employed 2.90%
Medicare tax..... No limit	Earnings needed for one quarter of coverage..... \$1,730
Maximum Social Security tax:	Earnings limit to receive full Social Security benefits:
Employee \$10,453.20	Under full retirement age ¹ ... \$22,320
Self-employed \$20,906.40	Year of full retirement age ² \$59,520
Maximum Medicare tax No limit	Full retirement age..... No limit
Social Security tax rate:	Medicare premiums:
Employee 6.20%	Part A (per month) \$505.00
Self-employed 12.40%	Part B (per month) ³ \$174.70
Maximum Social Security benefits at full retirement age:	Hospital deductible..... \$1,632.00
Maximum monthly benefit..... \$3,822	

¹ \$1 in benefits is withheld for every \$2 in earnings above limit.
² Applies only to earnings for months prior to attaining full retirement age. \$1 in benefits is withheld for every \$3 in earnings above the limit.
³ Standard monthly premium. High income taxpayers see *2024 Medicare Costs* chart, [page 4-6](#).

Additional Medicare tax on earned income. A 0.9% additional Medicare tax for FICA and self-employment income applies to earned income in excess of \$250,000 MFJ, \$125,000 MFS, and \$200,000 any other filing status.

Additional Medicare tax on net investment income. A 3.8% Medicare tax applies to net investment income if MAGI is above of \$250,000 MFJ and QSS, \$125,000 MFS, and \$200,000 any other filing status.

Social Security—Early Retirement Reduced Benefits

A person can begin receiving Social Security benefits early, at age 62. The following table illustrates the effect on a primary beneficiary's benefit, and a spouse's benefit who normally would receive 50% of the primary beneficiary's primary insurance amount (PIA) when Social Security benefits begin at age 62.

Year of Birth	Primary's Reduction Percentage	Spouse's Reduction Percentage	A \$1,000 (\$500 Spousal) Benefit Reduced To:
1937 or earlier	20.00%	25.00%	\$800 (\$375)
1938	20.83%	25.83%	\$791 (\$370)
1939	21.67%	26.67%	\$783 (\$366)
1940	22.50%	27.50%	\$775 (\$362)
1941	23.33%	28.33%	\$766 (\$358)
1942	24.17%	29.17%	\$758 (\$354)
1943 – 1954	25.00%	30.00%	\$750 (\$350)
1955	25.83%	30.83%	\$741 (\$345)
1956	26.67%	31.67%	\$733 (\$341)
1957	27.50%	32.50%	\$725 (\$337)
1958	28.33%	33.33%	\$716 (\$333)
1959	29.17%	34.17%	\$708 (\$329)
1960 and later	30.00%	35.00%	\$700 (\$325)

Lump-Sum Death Benefit (\$255)

If the beneficiary is...	Then the evidence the claimant needs to submit is...					
	Age	Relationships		Dependency or Support	School Attendance	Death of Worker
Surviving spouse living in same household	–	X	–	–	–	X
Eligible surviving spouse, excluding divorced spouse	X ³	X ³	–	–	–	X
Eligible children	X ³	–	X ³	X ^{1,3}	X ^{2,3}	X

¹ A legitimate or adopted child is ordinarily considered dependent on his or her parent, however, certain evidence may be needed in the case of other types of children.
² Proof of full-time school attendance required if child is age 18–19 and is not disabled.
³ To qualify for the lump-sum, the claimant must present evidence that proves he or she does (or could) qualify for monthly benefits in the month the worker died.