



THE 2026 COST-OF-LIVING ADJUSTMENT

If you're one of the approximately 75 million retired Americans collecting Social Security benefits, you'll see a 2.8% Cost-of-Living Adjustment (COLA) increase in 2026. That equates to an extra \$56 a month on average. Supplemental Security Income (SSI) beneficiaries will see increased payments starting December 31st, 2025.

The taxable maximum, or maximum amount of earnings subject to the Social Security tax, is also increasing. In 2026, the new maximum will be \$184,500.

If you receive benefits, you'll receive a notification of the new amounts either by mail or online through my Social Security in December. You can also sign up for text or email notifications for new messages from Social Security, rather than waiting for a letter in the mail.

The goal of COLA is to help Social Security and SSI keep up with inflation. Increases are based on percentage increases in the Consumer Price Index. You can learn more through the [Social Security Administration's website](#).

Social Security Basics

Regardless of where you are in your financial planning journey, understanding how you benefit may help you as you plan your retirement finances. If you still have questions about Social Security, here are a few facts to consider:

- **Social Security is more than just retirement income for a worker.** It also provides survivor benefits (monthly payments) to a deceased worker's eligible loved ones- like current or previous spouses, children or dependent parents.
- **The amount of Social Security you receive depends on your lifetime work credits.** You'll need a total of 40 lifetime credits to collect benefits. The most you can earn per year is four, meaning you will have to work for at least 10 years to start collecting benefits. The amount of earnings required to earn a single credit usually increases every year. In 2026, earning \$1,890 will earn one credit (to earn the maximum 4 credits for 2026, you need to earn at least \$7,560).
- **Your full retirement age varies based on your birth year.** People born in 1954 or earlier can start collecting at 66, whereas people born in 1960 or later can start at 67.

- You can start receiving social security as early as 62, but you'll receive reduced benefits. The reduction depends on how many months away you are from retirement age. The [Social Security Administration website](#) has a benefits planner that estimates what your reduced benefit percentage could be.
- **Waiting to collect benefits can increase your monthly benefit.** Each year you wait after Full Retirement Age to receive your benefit, you receive an 8% increase to your monthly benefit. This increase continues until age 70, at which time you have maximized your benefit and should file to receive it if you have not already.
- **When you're ready to apply, you can complete an easy online application.** You can apply simultaneously for both Social Security and Medicare through the Social Security Administration website, depending on your age and preferences.

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