

**New Increases for Social Security in 2012**  
**By Roben D. Hunter, JD, CPA, CVA, CFFA, Hunter Advisors, PLLC**

There are new increases in Social Security that have been recently announced, both for the recipients and the employee/employers currently paying into the system. For those of us paying into Social Security in 2012, the Social Security tax will be payable on the first \$110,100 of income received per person in 2012, which is an increase from the 2011 level of \$106,800. From the employee pay, the difference will be \$204.60 in actual tax for the year. This increase has not received much attention to date, but it is a tax increase for both the employee and the employer.

Social Security recipients are expected to receive a 3.6% raise in benefits beginning January 1, 2012. The Social Security Administration has estimated that this increase will add approximately \$43 each month to the average check. That increase, does not, however, tell the entire story. Prior to the end of the year, Medicare is expected to announce their premium increases for the 2012 Medicare Part B. Those premium increases will probably offset the benefits increase, and may even require recipients to pay additional amounts they are not accustomed to paying, depending upon the increase. We can only hope that after no benefit increases for several years, the increase in Social Security checks will not be completely offset with an increase in the Medicare premiums.