

DATE: October 16, 2024

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:24-12  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY MEDS LIAISONS

SUBJECT: JANUARY 2025 SOCIAL SECURITY TITLE II COST OF LIVING  
ADJUSTMENT

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide counties with guidance for processing the 2025 Social Security Administration (SSA) Cost of Living Adjustment (COLA) in the Statewide Automated Welfare System (SAWS). The process of applying the COLA to certain current Medi-Cal member eligibility groups has not changed and is only updated with the details provided below in this annual letter. Counties shall process the 2025 SSA COLA in compliance with the policy of this letter. This ACWDL also provides updated federal Substantial Gainful Activity amounts for 2025.

Enclosure: SSA Fact Sheet: 2025 Social Security Changes

### **Title II Retirement, Survivors, and Disability Insurance COLA**

The SSA COLA for 2025 will be 2.5 percent.

It should be noted, as in previous years, that the SSA applies the COLA to the actual, rather than the rounded, benefit amount. This may result in a \$1 discrepancy in Title II benefits for some Medi-Cal members, therefore, a \$1 understated share of cost (SOC) will be less than the actual amount. In order to avoid the unnecessary expense of computing every Title II case subsequently identified as having an incorrect SOC solely due to the COLA, counties are authorized instead to correct the SOC the next time the budget is recalculated due to a change-in-circumstance or at annual redetermination and will not be cited with Quality Control (QC) errors. Please refer to ACWDL 14-18 for further information regarding processing changes-in-circumstance and annual redeterminations.

### **Processing the 2025 SSA COLA for Modified Adjusted Gross Income (MAGI) Eligibility Groups**

Letter No.:24-12  
Page 2  
October 16, 2024

The processing of the 2025 COLA will not affect the MAGI eligibility groups. The California Healthcare, Eligibility, Enrollment and Retention System (CalHEERS) will not complete a batch run for the SSA COLA at this time. Once 2025 federal poverty levels (FPLs) are updated in CalHEERS, the process by which the 2025 FPL updates are implemented will be the same as in 2024. The Department of Health Care Services (DHCS) will send a mailer to MAGI beneficiaries potentially impacted by the change to inform them of the FPL increase and that they may request a redetermination backdated to January 1, 2025.

### **Processing the 2025 SSA COLA for Non-MAGI Eligibility Groups**

The 2025 SSA COLA will be disregarded from the eligibility determination for the Aged, Blind, and Disabled FPL, and Medicare Savings Programs until the publication of the 2025 FPL rates. All Medically Needy cases with Title II income must have the SOC adjusted to reflect the COLA, effective January 1, 2025. DHCS would also like to remind counties to assess Medi-Cal members for Pickle, Disabled Adult Child (DAC), and Disabled Widower (DW) programs as they are on the Mega Mandatory list per ACWDL 17-03.

Information regarding Medicare Premiums for 2025, Pickle In-Kind Support and Maintenance Values (ISM), Supplemental Security Income/State Supplemental Payment (SSI/SSP) Payment Standards, and Pickle Multipliers will be released in forthcoming ACWDLs.

### **2025 Substantial Gainful Activity (SGA) Amounts Effective January 1, 2025:**

\$1620 for non-blind individuals  
\$2700 for blind individuals

If you have any questions or if we can provide further information, please contact Jaeseana Mercado by email at [Jaeseana.Mercado@dhcs.ca.gov](mailto:Jaeseana.Mercado@dhcs.ca.gov) or by phone (916) 345-7806.

Original Signed By

Theresa Hasbrouck  
Branch Chief  
Policy Development Branch  
Medi-Cal Eligibility Division

Enclosure



# Fact Sheet

## SOCIAL SECURITY

### 2025 SOCIAL SECURITY CHANGES

#### Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2023 through the third quarter of 2024, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 2.5 percent COLA for 2025. Other important 2025 Social Security information is as follows:

<b>Tax Rate</b>	<b>2024</b>	<b>2025</b>
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%

**NOTE:** The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes. The tax rates shown above do not include the 0.9 percent.

	2024	2025
Maximum Taxable Earnings		
Social Security (OASDI only)	\$168,600	\$176,100
Medicare (HI only)	No Limit	
Quarter of Coverage		
	\$1,730	\$1,810
Retirement Earnings Test Exempt Amounts		
Under full retirement age	\$22,320/yr. (\$1,860/mo.)	\$23,400/yr. (\$1,950/mo.)
NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.		

	2024	2025
The year an individual reaches full retirement age	\$59,520/yr. (\$4,960/mo.)	\$62,160/yr. (\$5,180/mo.)
NOTE: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.		
Beginning the month an individual attains full retirement age	None	

	2024	2025
<b>Social Security Disability Thresholds</b>		
Substantial Gainful Activity (SGA)		
Non-Blind	\$1,550/mo.	\$1,620/mo.
Blind	\$2,590/mo.	\$2,700/mo.
Trial Work Period (TWP)	\$1,110/mo.	\$1,160/mo.
<b>Maximum Social Security Benefit: Worker Retiring at Full Retirement Age</b>		
	\$3,822/mo.	\$4,018/mo.
<b>SSI Federal Payment Standard</b>		
Individual	\$ 943/mo.	\$ 967/mo.
Couple	\$1,415/mo.	\$1,450/mo.
<b>SSI Resource Limits</b>		
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000
<b>SSI Student Exclusion</b>		
Monthly limit	\$2,290	\$2,350
Annual limit	\$9,230	\$9,460
<b>Estimated Average Monthly Social Security Benefits Payable in January 2025</b>		
	Before 2.5% COLA	After 2.5% COLA
All Retired Workers	\$1,927	\$1,976
Aged Couple, Both Receiving Benefits	\$3,014	\$3,089
Widowed Mother and Two Children	\$3,669	\$3,761
Aged Widow(er) Alone	\$1,788	\$1,832
Disabled Worker, Spouse and One or More Children	\$2,757	\$2,826
All Disabled Workers	\$1,542	\$1,580

This press release was produced and disseminated at U.S. taxpayer expense.