

Social Security in 2025

Helping Clients Navigate in Turbulent Waters



Social Security turns 90 in August 2025. The program was designed in 1935 to:

- 1) Provide an above poverty baseline of income in retirement.
- 2) Ensure a social safety net for workers and families.
- 3) Be based on one's contributions into the program and fair for all.

It continues to meet the core objectives but is now riddled with uncertainty about the future. Clients are confused and concerned with good reason. How you discuss the perils and risks—to both the program and each client's financial security—is more critical than ever.

The **2025 Social Security cost-of-living adjustment was 2.5%**. However, Medicare Part B premiums increased 5.9%, eroding the annual increase. Increased payments began in January 2025.

WEP and GPO were fully repealed under the Social Security Fairness Act. Signed into law by President Joe Biden on January 6, 2025, and retroactive to January 1, 2024.



Social Security publishes an annual fact sheet with more details after the COLA is announced. Check out the [2025 COLA fact sheet](#) to find the maximum payout benefit, taxable wage base, and other current information.

Key Topics in 2025	Talk to Clients About...
<p>Does a client need to take any action for their benefits to increase due to the WEP & GPO repeal?</p> <ul style="list-style-type: none">▪ Generally, no. The retroactive lump-sum payment and monthly benefit increases will be automatic.▪ However, if a client never applied for Social Security because it was \$0, they must apply now for benefits:<ul style="list-style-type: none">— Apply online for own benefit, spousal benefit, ex-spousal benefit.— Request a phone or in-person meeting for surviving spouse or surviving ex-spouse benefits.	<ul style="list-style-type: none">▪ Social Security updates information and progress on WEP/GPO in a special section of their website.▪ Check back periodically for new information.▪ You can find the status on the number of adjustments processed to date.
<p>What tax reform proposals are moving through Congress to reduce or eliminate taxation of Social Security benefits?</p>	<ul style="list-style-type: none">▪ Find updates and analysis for various proposals on the Social Security actuary's webpage

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<p>What are clients concerned about with the so-called Department of Government Efficiency (DOGE) actions:</p> <ul style="list-style-type: none">▪ Data breaches.▪ Long wait times to connect with SSA.▪ Delay or stoppage of payments.	<ul style="list-style-type: none">▪ For more information about the data breach concerns, read this information.▪ Ask clients to check that payments are arriving on time for family members 100+.▪ Set expectations—allow 60 days after filing an application to hear from SSA.
<p>What can clients do if they are concerned or having an issue with their benefits?</p> <ul style="list-style-type: none">▪ Register any issues with their state's Attorney General's office.▪ Contact their representatives in Congress.	<ul style="list-style-type: none">▪ Look at Arizona's and Michigan's AG offices for examples.▪ Get good information and ideas for how to present their issues at 5calls.org.▪ Find their members of Congress contact information.

Best practices for financial advisors

- 1 Discuss benefits of the wait-wait-wait strategy
 - Wait to retire**
Working 1, 2, 3 extra years can make a sizeable difference in ability to pay for retirement
 - Wait to claim Social Security**
More monthly income is better, especially in one's 80s and 90s
 - Wait to tap retirement savings**
The longer these assets can accumulate, the larger the potential for sustainable income
- 2 Rerun comprehensive retirement income plans considering a **20% reduction** to Social Security benefits
- 3 The situation with Social Security is changing fast. Stay up-to-date with reliable sources, including:
 - ❖ New York Times
 - ❖ Wired
 - ❖ Wall St. Journal
 - ❖ SSA.gov/communications



Marcia Mantell has written scores of articles about the current issues at Social Security, the viability of the program, and why becoming insolvent assures failure for many clients' retirement income success. [Check out her extensive library of articles published in *ThinkAdvisor*, *Life & Health Advisor Magazine*, and *Retirement Daily on The Street*.](#)