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For Immediate Release

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News Release

SOCIAL SECURITY

Social Security Announces 4.1 Percent Benefit Increase for 2006

Monthly Social Security and Supplemental Security Income benefits for more than 52 million Americans will increase 4.1 percent in 2006, the Social Security Administration announced today.

Social Security and Supplemental Security Income benefits increase automatically each year based on the rise in the Bureau of Labor Statistics' *Consumer Price Index for Urban Wage Earners and Clerical Workers* (CPI-W), from the third quarter of the prior year to the corresponding period of the current year. This year's increase in the CPI-W was 4.1 percent.

The 4.1 percent Cost-of-Living Adjustment (COLA) will begin with benefits that more than 48 million Social Security beneficiaries receive in January 2006. Increased payments to 7 million Supplemental Security Income beneficiaries will begin on December 30.

Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to $94,200 from $90,000. Of the estimated 161 million workers who will pay Social Security taxes in 2006, about 11.3 million will pay higher taxes as a result of the increase in the taxable maximum in 2006.

It is important to note that no one's Social Security benefit will decrease as a result of the 2006 Medicare Part B premium increase, announced last month. By law, the Part B premium increase cannot be larger than a beneficiary's COLA increase. More information about Medicare can be found at www.cms.hhs.gov.

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NOTE TO CORRESPONDENTS: A fact sheet showing the effect of the various automatic adjustments is attached.