



State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
GOVERNOR

November 23, 2022

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 22-30  
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 2023 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 2023 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 beneficiary eligibility groups, has not changed and is only updated with the details provided below in this annual letter. Counties shall process the 2023 SSA COLA in accordance with the policy of this letter. This ACWDL also provides updated federal Substantial Gainful Activity amounts for 2023.

This letter provides counties with the following enclosure:

Enclosure 1: SSA Fact Sheet: 2023 Social Security Changes

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

The SSA has advised DHCS that there will be an 8.7 percent COLA for year 2023.

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 beneficiaries and 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 2023 SSA COLA for Modified Adjusted Gross Income (MAGI) Eligibility Groups**

The processing of the 2023 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 2023 federal poverty levels (FPLs) are updated in CalHEERS, the process by which the 2023 FPL updates are implemented will be the same as in 2022. 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, 2023.

### **Processing the 2023 SSA COLA for Non-MAGI Eligibility Groups**

The 2023 SSA COLA will be disregarded from the eligibility determination for the Aged and Disabled FPL, Blind FPL, and Medicare Savings Programs until the publication of the 2023 FPL rates. All medically needy cases with Title II income must have the SOC adjusted to reflect the COLA, effective January 1, 2023. For all medically needy cases with Title II income, counties are reminded that due to the Public Health Emergency (PHE), no negative action is to be taken on cases where the COLA would cause an increase in the SOC. DHCS would also like to remind counties to assess beneficiaries 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 2023, Pickle In-Kind Support and Maintenance Values (ISM), Supplemental Security Income/State Supplemental Payment (SSI/SSP) Payment Standards, Pickle Resource Eligibility, and Pickle Multipliers will be released in forthcoming ACWDLs.

### **2023 Substantial Gainful Activity (SGA) Amounts Effective January 1, 2023:**

\$1,470 for non-blind individuals  
\$2,460 for blind individuals

Note: Per Medi-Cal Eligibility Division Information Letters (MEDILs) [I 20-07](#), [I 20-08](#), [I 20-18](#), [I 20-25](#), and [I 20-26](#), counties must defer discontinuances and other negative actions based on the declared federal COVID-19 Public Health Emergency (PHE) for most beneficiaries. Counties shall continue to handle Medi-Cal eligibility as outlined in

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ACWDL [21-26](#) for case processing actions allowed during the COVID 19 PHE and ACWDL [22-18](#) for case processing during the COVID 19 PHE unwinding period. Counties shall process determinations or redeterminations for those individuals who would gain access to health care coverage and resolve barriers related to access to care.

If you have any questions or if we can provide further information, please contact Minel Tobertga by email at [Minel.Tobertga@dhcs.ca.gov](mailto:Minel.Tobertga@dhcs.ca.gov) or by phone at (916) 345-8075.

**Original Signed By**

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

Enclosure



# Fact Sheet

## SOCIAL SECURITY

### 2023 SOCIAL SECURITY CHANGES

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

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2021 through the third quarter of 2022, Social Security and Supplemental Security Income (SSI) beneficiaries will receive an 8.7 percent COLA for 2023. Other important 2023 Social Security information is as follows:

<b>Tax Rate</b>	<b>2022</b>	<b>2023</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.

	<b>2022</b>	<b>2023</b>
<b>Maximum Taxable Earnings</b>		
Social Security (OASDI only)	\$147,000	\$160,200
Medicare (HI only)	No Limit	
<b>Quarter of Coverage</b>		
	\$1,510	\$1,640
<b>Retirement Earnings Test Exempt Amounts</b>		
Under full retirement age	\$19,560/yr. (\$1,630/mo.)	\$21,240/yr. (\$1,770/mo.)
NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.		

	2022	2023
The year an individual reaches full retirement age	\$51,960/yr. (\$4,330/mo.)	\$56,520/yr. (\$4,710/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	

	2022	2023
<b>Social Security Disability Thresholds</b>		
Substantial Gainful Activity (SGA)		
Non-Blind	\$1,350/mo.	\$1,470/mo.
Blind	\$2,260/mo.	\$2,460/mo.
Trial Work Period (TWP)	\$ 970/mo.	\$1,050/mo.
<b>Maximum Social Security Benefit: Worker Retiring at Full Retirement Age</b>		
	\$3,345/mo.	\$3,627/mo.
<b>SSI Federal Payment Standard</b>		
Individual	\$ 841/mo.	\$ 914/mo.
Couple	\$1,261/mo.	\$1,371/mo.
<b>SSI Resource Limits</b>		
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000
<b>SSI Student Exclusion</b>		
Monthly limit	\$2,040	\$2,220
Annual limit	\$8,230	\$8,950
<b>Estimated Average Monthly Social Security Benefits Payable in January 2023</b>		
	Before 8.7% COLA	After 8.7% COLA
All Retired Workers	\$1,681	\$1,827
Aged Couple, Both Receiving Benefits	\$2,734	\$2,972
Widowed Mother and Two Children	\$3,238	\$3,520
Aged Widow(er) Alone	\$1,567	\$1,704
Disabled Worker, Spouse and One or More Children	\$2,407	\$2,616
All Disabled Workers	\$1,364	\$1,483

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