

# Key Changes For 2023

What's new in 2023 and beyond? Thanks to key legislation like SECURE 2.0 and the BENES Act, major changes will apply to Medicare, Social Security and retirement saving. Below is a selection of important aspects before and after the legislation applies.

## BEFORE

## AFTER

Medicare enrollment process was complicated and often resulted in coverage gaps

BENES Act ensures coverage starts the first month after initial and general enrollment

Some vaccines weren't fully covered under Part D of Medicare



MEDICARE

All adult vaccines are covered under Part D without deductibles or copays

Drugmakers could exorbitantly hike prices on patients without penalty

Drugmakers will pay rebates to the govt. if prices increase faster than the rate of inflation

Maximum benefits one could receive at full retirement age each month was \$3,345

Now, the maximum benefit one can receive each month is \$3,627, a \$282 increase

Cost of Living Adjustment (COLA) was lower in 2022, but in response to inflation...



SOCIAL SECURITY

...COLA increased by 8.7%, turning \$1,000 in benefits into \$1,087

In 2022, the amount of earnings subject to the Social Security Tax was \$147,000

The amount of earnings subject to the Social Security Tax is \$160,200, an 8.97% increase

Automatic enrollment in retirement plans was at the discretion of the plan sponsor

Most new 401(k) and 401(b) plans created in 2024 or later require automatic enrollment

Only 30% of small businesses offer retirement plans, mostly due to upkeep costs



RETIREMENT SAVING

The startup credit increases from 50% to 100% for employers with up to 50 employees up to \$5k

Payments made toward student loan debt had no correlation to retirement savings

Employers can make matching contributions to retirement accounts based on student loan payments

