

**McHenry Township Board Packet
for the Budget Workshop Meeting on
February 4, 2019**

**CURRENT TRENDS
IN COST OF LIVING INCREASES
AND
2019 EMPLOYEE PAY RAISES
In The U.S.**

LEGAL STATUS

LEGAL STATUS

Cost-of-Living Increase and Other Determinations for 2019

A Notice by the Social Security Administration on 10/24/2018

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ACTION:

Notice.

SUMMARY:

Under title II of the Social Security Act (Act), there will be a 2.8 percent cost-of-living increase in Social Security benefits effective December 2018. In addition, the national average wage index for 2017 is

\$50,321.89. The cost-of-living increase and national average wage index affect other program parameters as described below.

Social Security Resource Center

Social Security Resource Center

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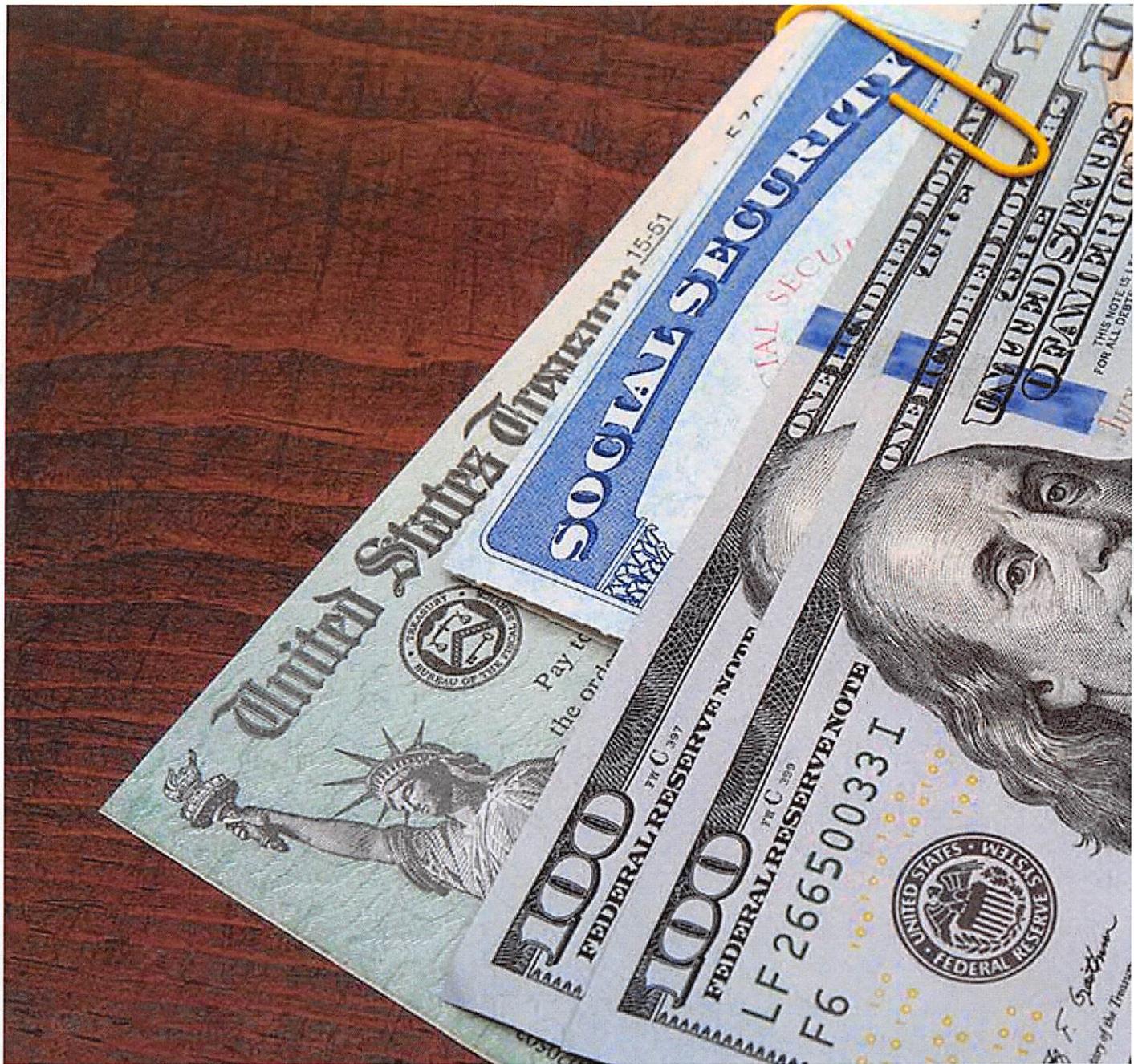
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Social Security Benefit to Increase 2.8 Percent in 2019

New cost-of-living adjustment is largest since 2012

by Harriet Edleson, [AARP](#), October 11, 2018 | Comments: 0



Getty Images

Social Security benefits will increase 2.8 percent in 2019, the largest cost-of-living adjustment (COLA) in seven years.

The COLA, announced Thursday, Oct. 11, will increase the average Social Security retirement benefit by \$39 a month or roughly \$468 a year. The average single retired Social Security recipient is expected to receive \$1,422 in December 2018 before increasing to \$1,461 a month later. The COLA affects household budgets for about 1 in 5 Americans, including Social Security beneficiaries, disabled veterans and federal retirees.

AARP Chief Executive Officer Jo Ann Jenkins said, “The 2.8 percent COLA announced today brings needed income security to those Social Security beneficiaries and their families who depend on their earned, modest benefits. The COLA is particularly important for the tens of millions of families who depend on Social Security for all or most of their income, many of whom may have lost ground during the Great Recession. Unfortunately, the cost of living increase may not adequately cover their expenses that rise faster than inflation including health, prescription drug, utility and housing costs.”

On Friday, Oct. 12, the government announced a [slight rise in monthly premium costs for Medicare](#) Part B will go up in 2019. This increase could affect actual individual benefits because the premium is deducted from Social Security payments. Part B Medicare covers physician and diagnostic services, outpatient hospital services, certain home health services and durable medical equipment.

Those 65 and older could see their Social Security COLA swallowed up by health care costs, including the Medicare monthly premium increase, said Nancy Altman, president of Social Security Works, a nonprofit advocacy group. The Medicare monthly premium could be announced as early as next week. Medicare open enrollment begins Monday and ends Dec. 7.

Social Security is financed by a tax on workers’ wages. Next year, the maximum amount of earnings subject to the Social Security tax will increase from \$128,400 to \$132,900.

For answers to Social Security questions, including when to claim, AARP has launched the [Social Security Resource Center](#), a one-stop shop for consumer information.

Also of Interest

- [Keep an eye on your Social Security earnings record](#)

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U.S. Workers Can Expect Slightly Bigger Raises in 2019

The numbers are inching up for everyone, but one group looks poised to benefit more than others.

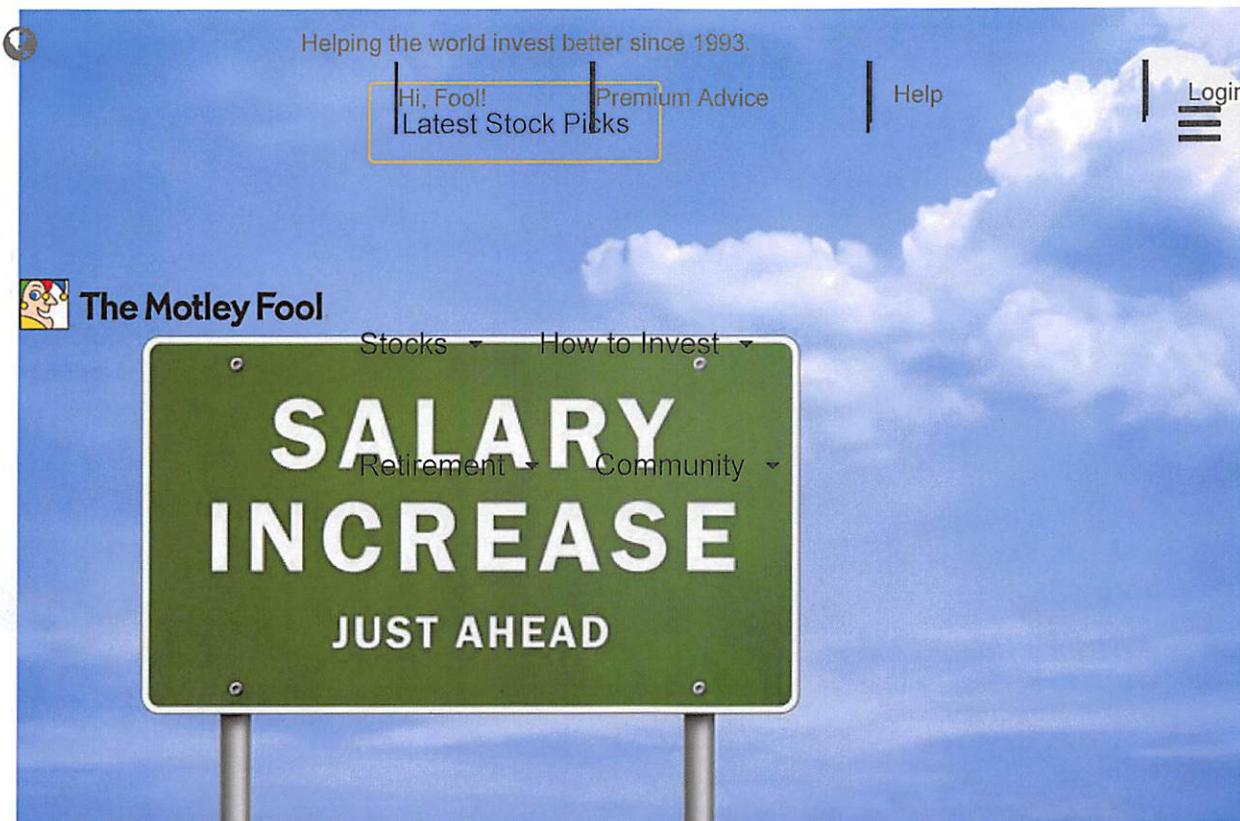
Daniel B. Kline ([TMFDankline](#))

Aug 28, 2018 at 5:53AM

Thanks to this year's historically low unemployment rates and the related labor shortage, U.S. workers should anticipate slightly [higher pay raises](#) in 2019, according to a [new survey](#) by **Willis Towers Watson**. Its study of 814 companies "representing a cross-section of industries" also showed that employers intend to give their top performers the biggest bumps.

"After a decade of consistently flat pay raises, we are witnessing a slight uptick as companies are feeling pressure to boost salaries, given the low unemployment rate and the best job market in many years," said Willis Towers Watson North American business leader Sandra McLellan in a press release. "While companies have been able to hold the line on raises, the tides are changing."





WAGES ARE EXPECTED TO RISE SLIGHTLY FOR MOST WORKERS. IMAGE SOURCE: GETTY IMAGES.

How much can you expect?

The 2018 General Industry Salary Budget Survey showed that U.S. employers project that they will give professional (i.e., salaried, non-management) employees raise averaging 3.1% in 2019. That's a modest uptick from 3% this year.

Hourly workers will see a similar increase of 3% in 2019, up from 2.9% in 2018. Pay hikes have hovered in this range for the past decade; 2008 was the last time a significantly larger (3.8%) average raise was seen.

Star performers, however, have generally done markedly better. The highest-rated employees earned 4.6% in raises in 2018, compared to the 2.7% average raise given to employees with an average rating.

"A growing number of companies are coming to grips with the fact that employees are more willing to change companies to advance their careers and to talk openly about their pay," McLellan said. "As a result, organizations are facing increased pressure entering next year to devise a focused strategy and plan on how to allocate their precious compensation dollars or risk losing some of their best talent."



Discretionary bonuses are also expected to be slightly higher in 2019. But performance bonuses -- which are tied to specific company and employee goals -- are projected to be flat or decrease slightly.

What can you do?

Ideally, you'll put yourself in the best possible position to earn a solid raise by being an  responsible top-tier performer. If you're not already there, it's probably not too late to start trying to up your game. Show that you're worth getting paid more by working harder, volunteering for projects, and being open to anything asked of you.

The other way to get a raise is to be willing to leave. In a [tight job market](#), it's possible to make a lateral move for more money because it's harder for companies to find qualified candidates. Still, while getting paid more is great, it can be unwise to leave a job you like over a small amount of money.

If you feel you deserve a bigger raise than you get, talk with your boss. Collaborate to figure out what you can do to make yourself more valuable to the organization, create an action plan that includes clear deliverables for you, and set up a schedule of check-ins with your boss to discuss how you're faring. Be realistic, but fight to get what you deserve.

The Motley Fool has a [disclosure policy](#).



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Daniel B. Kline is an accomplished writer and editor who has worked for Microsoft on its Finance app and The Boston Globe, where he wrote for the paper and ran the Boston.com business desk. His latest book, "Worst Ideas Ever," (Skyhorse) can be purchased at bookstores everywhere.

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