2027 COLA vs. Your Real Costs

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Set aside about 15 minutes. Have your Social Security statement, your Medicare premium notice, and 24 months of bank and card statements nearby.

Step 1 What Does Your Raise Really Look Like?

A. Current monthly Social Security benefit, before deductions	$_____
B. Your COLA raise (from your COLA notice, or multiply line A by 3.6%)	$_____
C. Change in your monthly Part B premium (2027 premium minus 2026 premium). For most people, the standard premium rises by $6.50, from $202.90 to $209.40. Use your own notice if your amount is different.	$_____
D. Change in any other premiums deducted from your check (e.g., Part D)	$_____
E. Estimated net raise (B – C – D)	$_____
F. Net raise as a percent of your benefit (E / A)	_____%

If you pay an income-related surcharge (IRMAA), your Part B premium is higher than the standard amount. Use the figure on your Social Security or Medicare notice.

Step 2 Your Personal Inflation Check

Add up your spending in each category for the prior 12 months and the most recent 12 months. The % change = (Recent – Prior) / Prior. Write "Yes" if the change is more than 3.6%.

Category	Prior 12 months	Recent 12 months	% Change	Faster than 3.6%?
Healthcare (premiums, Part D, supplements, copays, prescriptions)	$_____	$_____	_____%	
Food (groceries, dining out)	$_____	$_____	_____%	
Gas and utilities (fuel, electric, heat, water, phone, internet)	$_____	$_____	_____%	

Housing costs (homeowners insurance, repairs, property tax)	$_____	$_____	_____%	
Everything else	$_____	$_____	_____%	
Total	**$_____**	**$_____**	**_____%**	

What to look for: If your total is growing faster than 3.6%, your raise isn't keeping up. If one category is doing most of the damage, start there.

Step 3 Ripple Check

Question	Your answer	Where to verify
Is any of my Social Security already taxable on my federal return? Could a larger benefit increase that?		IRS or your tax professional
Do I take IRA, 401(k), or pension income? (North Carolina doesn't tax Social Security, but generally taxes these at its flat rate).		NC Department of Revenue
Is my 2025 income close to a Medicare IRMAA bracket? 2027 premiums use 2025 income. Surcharges begin above $112,000 (individual) or $224,000 (joint).		Medicare.gov, SSA

Step 4 Medicare Plan Check (Before December 7)

Question	My current plan	Option to compare
Monthly premium x 12	$_____	$_____
Deductible	$_____	$_____
Estimated yearly out-of-pocket (copays, coinsurance, prescriptions)	$_____	$_____
Total estimated annual cost	$_____	$_____
Are my doctors in network?		
Are my prescriptions covered?		

Step 5 Essential vs Flexible Spending

Monthly essential spending	**Amount**
Housing (mortgage or rent, property tax, insurance)	$_____
Food	$_____
Utilities	$_____
Healthcare (do not include premiums already deducted from your Social Security check)	$_____
Transportation	$_____
Taxes	$_____
Other essentials	$_____
Total essentials (A)	**$**_____
Monthly guaranteed income (after deductions)	**Amount**
Social Security (you)	$_____
Social Security (spouse)	$_____
Pension	$_____
Annuity income	$_____
Total guaranteed income (B)	**$**_____

Gap or surplus (B – A): $_____

A negative number is a gap, which is the amount your savings need to cover each month. That's the number to bring to your advisor.

Flexible spending (travel, gifts, hobbies, dining out): $_____ per month

Key Dates

- **November:** CMS announced the 2027 Part B premium: $209.40 per month
- **December:** Social Security sends COLA notices
- **December 7:** Medicare open enrollment closes
- **January 2027:** Check your first larger deposit against your estimate in Step 1 (line E)
- **Spring 2027:** If you qualify, senior property tax exclusion applications are due June 1

Want to go over your numbers together?

Bring this worksheet to a retirement income check-in with Chris.

Questions to bring:

1. How much of my essential spending is covered by guaranteed income, and how much falls on my savings?
2. How is my withdrawal amount set, and when do we revisit it?
3. How will a higher Social Security benefit change my taxes and my Medicare premiums?
4. How does my plan hold up if healthcare costs keep rising faster than my income?
5. Is my income plan built around what I need each year, or around a rule of thumb?

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