THE ADVISOR

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Four Changes Coming for Seniors in 2026

BY JOHN I. ADAMS, CHAIRMAN, TSCL

Here at the *Advisor*, we bring together seniors from across America with all kinds of experiences. We're writing to help American seniors of all races, creeds, and professional backgrounds learn more about what's going on with their Social Security and Medicare benefits.

Even with our many differences, we all have at least one thing in common: We've all been on Earth long enough to know change is inevitable, and 2026 will be no exception. So, what changes should seniors watch out for next year?

1. New COLA Takes Effect for Social Security Benefits

One of the first big changes to affect seniors in 2026 will be the implementation of Social Security's Cost-of-Living Adjustment (COLA). The COLA is an annual adjustment to Americans' Social Security benefits to help monthly checks keep up with inflation over time.

This Issue

The COLA for 2026 will be 2.8 percent, as announced by the Social Security Administration (SSA) on October 24th. That means if you receive $2,000 a month in benefits—which is just a tiny bit below average but convenient for the sake of math—your monthly check would increase by $56. This increase will be automatically applied to all Social Security benefits starting on January 1st, and you can calculate how much your benefits will increase by multiplying your current Social Security check by 2.8 percent.

2. Higher Medicare Part B Premiums

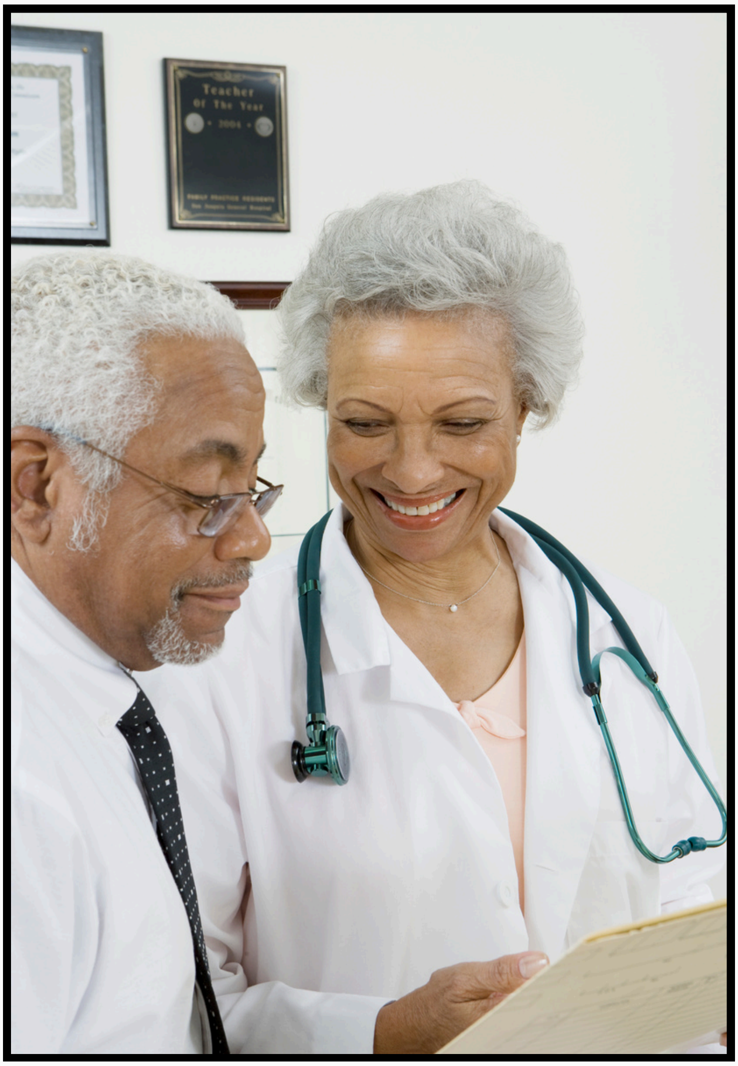
When Americans turn 65, they automatically become eligible for Medicare Part B health coverage. In 2025, the standard cost for that coverage was a monthly premium of $185 for single tax filers who earned less than $106,000 and joint filers who earned less than $212,000, with higher costs for those who earn more.

However, Part B premium costs are set to increase. In 2026, the standard monthly premium will rise to $202.90. That's nearly a 10 percent increase from 2025, which, as we'll discuss in more detail in this issue's article, "Medicare Keeps Going Up Faster Than Inflation," continues a troubling pattern. This change will hit seniors' monthly budgets starting January 1st.

3. Freshly Negotiated Drug Prices Take Effect for Medicare Beneficiaries

One event that will at least partially offset the rise in Medicare Part B premiums for many seniors will be lower costs on several high-use prescription drugs. Empowered by the Inflation Reduction Act (IRA) of 2022, Medicare negotiated lower prices directly with pharmaceutical companies for the first time in its history. The negotiated prices will take effect on January 1st.

What's more, Medicare's new ability to negotiate looks like it will yield promising results. The list of drugs with new, lower prices as a result of the negotiation process will include some of the most popular medicines for treating heart disease, diabetes, kidney disease, and psoriasis. Most drugs that went through the negotiation process will see their prices reduced by at least 50 percent, and the Centers for Medicare and Medicaid Services (CMS) estimates that the new prices will reduce beneficiaries' out-of-pocket spending $1.5 billion in 2026.



Additional progress on lowered drug prices is on the way, too. Medicare is currently negotiating lower prices for 15 additional drugs, with the changes taking effect in 2027. The drugs being negotiated include the popular weight-loss drugs Ozempic, Rybelsus, and Wegovy.

4. Higher-Earning Seniors Will See Tax Relief

When President Trump signed the One Big Beautiful Bill (OBBB) into law this July, it represented a win for seniors who pay federal taxes on their Social Security benefits. The law will provide an additional $6,000 deduction (per tax filer) on top of the standard deduction for many seniors.

However, it's important to note that not all seniors will benefit equally. Those who don't earn enough to pay federal taxes on their Social Security benefits ($25,000 per single filer and $32,000 for joint filers) won't see a change. Those who earn enough to pay taxes on their benefits but still bring in less than $75,000 (for single filers) or $150,000 (for joint filers) will be able to use the entire $6,000 deduction, while those who earn more than that will see the additional deduction gradually phased out.

Eligible seniors will be able to begin claiming this new deduction on their taxes starting in 2026, for income and Social Security benefits earned in 2025. The new temporary tax credit will run through 2028, at which point Congress will need to pass formal legislation to renew it.

COLA Watch

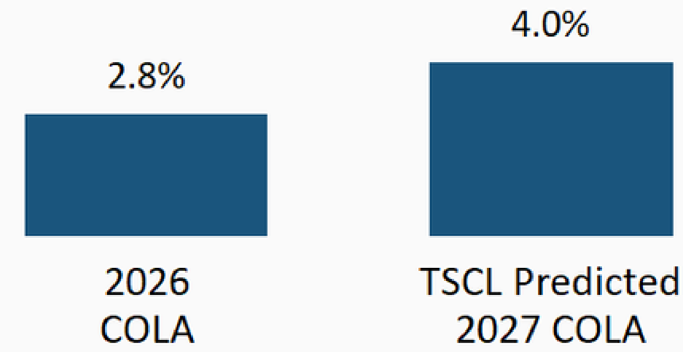
What will your benefits look like next year?

Average Social Security Benefit:

as of Dec 2025

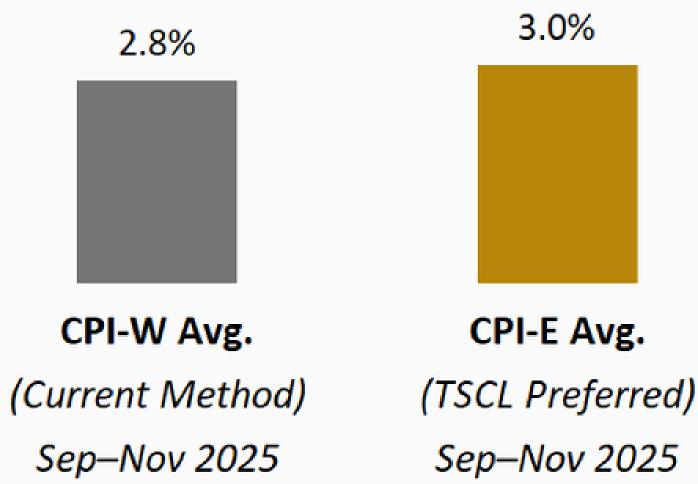
The 2027 COLA will be announced in

10 Months



A better inflation measure

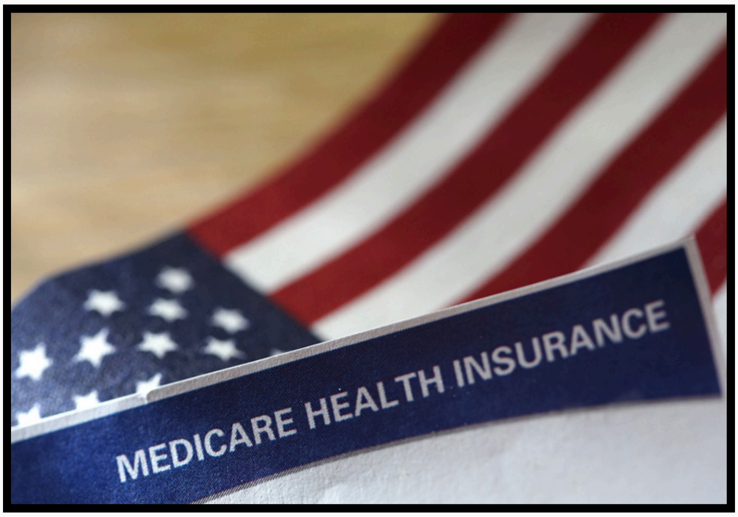
would give you a better COLA.



Take a deep dive [here](#).

How I Chose My Medicare Plan

BY SUSAN STEWART, LICENSED INSURANCE AGENT



This past summer, I turned 65. Though I am still employed, it was my opportunity to decide whether to keep employer insurance or move to Medicare. I made the move to Medicare. Even with my employer, my premiums and copays were high. How did I decide which way to go? Medicare Advantage or Medicare Supplement (also known as Medigap)?

I thought about it for months, considering my finances and what retirement will look like for me.

A Medigap policy is the easiest way. I know that. No networks. These plans let you see any provider that accepts Medicare, and in a world of ever-shrinking health networks, a Medigap would make life simpler, especially in the event of major health problems requiring multiple providers and facilities. However, a Medigap policy requires an additional premium on top of my Part B premium, which put me off.

I could have considered a High-Deductible Plan G, which is a type of supplemental health insurance that covers additional medical expenses not covered by traditional Medicare. The plan has a deductible of $2,870. I would pay 20 percent for all my medical care until I reached the deductible, at which point my plan would cover 100 percent of my care.

However, I know myself. I would put off medical care to avoid such a large deductible.

Only in dire need would I consider paying. With Plan G, my premium would have been about $60 a month, in addition to my Part B premium of $185 in 2025. I would need a prescription drug plan and would not have any dental coverage. And in exchange for Plan G with a lower deductible of $257, I would have had to pay about $140 a month on top of my Medicare Part B. As with other premiums, which always rise and do not decrease, that cost would have only grown in the future.

On the other hand...

A Medicare Advantage plan generally has low or no premiums, but there are networks and copays or coinsurance. These plans offer prescription drug coverage (required by Medicare at age 65), as well as some dental, vision, and hearing benefits.

I decided to bank on my good health and went with a Medicare Advantage plan. But even today, six months after turning 65, I still think about it.

There's no way to know what could change with my health, but in looking at my finances in the future, retirement is going to be tight. An ever-increasing premium is not something I can financially carry. I paid attention to the maximum out-of-pocket when I chose my Medicare Advantage plan, as that is the point: Should I become very ill, my plan would go to 100 percent.

Pay up front or pay as I go. That's the risk. The decision. In a perfect world where I wouldn't eventually need to live on a tight, fixed income, I would have a Medigap policy. Hands down. I would buy a good dental plan, too. But the world isn't perfect, and sometimes you have to make risky decisions.

If you're about to turn 65 or take up Part B at retirement, here are a few questions you should consider:

- **Are you a risk taker?** Or do you prefer to pay more now and know what your costs will be/could be?
- **What do you or will you live on each month?** Look at your budget and calculate what you can afford.
- **How is your health?** How often do you see a doctor? If your health is fragile, your financial risk increases, and you have fewer provider choices with a Medicare Advantage plan and its networks.
- **What's available in your area?** Some areas of the country have few or no Medicare Advantage plans. Investigate your options.
- **Does your state allow changing from one Medigap plan to another?** This can be tricky to do because only some states allow you to change, under specific circumstances. Once you're in a Medigap, you're generally in it going forward.

Some states and circumstances can permit changing from one plan to the other, but that can be tricky. Talk to your insurance agent. Get a quote for all your options. Be informed. That's the way forward.

I realize there's no perfect answer when it comes to choosing a Medicare plan. It's a deeply personal decision that depends on your health, your finances, and how much uncertainty you can live with. The important thing is to take the time to understand your options and make the decision that seems right for you.

The You Earn It, You Keep It Act Would Boost Benefits

BY DAISY BROWN, LEGISLATIVE CORRESPONDENT

According to a 2025 TSCL study of more than 1,900 seniors, 90 percent of older Americans are dissatisfied with their monthly Social Security benefit checks. However, that could change soon if Congress passes the newly reintroduced You Earn It, You Keep It Act.

The bill, introduced by Senator Ruben Gallego of Arizona, would go beyond the $6,000 tax credit for seniors implemented by the One Big Beautiful Bill this summer, which lowered or eliminated federal taxes for many higher-earning seniors. The You Earn It, You Keep It Act would eliminate all federal income taxes on all Social Security benefits, regardless of how much a person earned throughout the year. Crucially, it would also extend Social Security's solvency by an estimated 24 years—from 2034 to 2058—by expanding the Social Security payroll tax to cover wages above $250,000. (Americans currently pay no taxes toward Social Security on income above $176,100.)

The people most affected by the law in the short term, if it passes, would be seniors who earn moderate to high incomes. Most seniors already do not earn enough to be required to pay federal taxes on their Social Security benefits. Longer term, the benefits of expanding the Social Security payroll tax would be immense: Increasing Social Security's solvency by another 24 years would strengthen the retirement of an entire generation.

Interestingly, this is not the first time the You Earn It, You Keep It Act has been introduced in Congress. Originally proposed in the House of Representatives by Angie Craig of Minnesota in January 2024, it did not receive a vote before elections that November.

At TSCL, we strongly support this legislation and will be pressuring both parties in Congress to move it forward. If passed, it will provide long-overdue tax relief to seniors who have worked hard and paid into Social Security their entire lives. It's a common-sense step to ensure older Americans to keep more of what they've earned, and it would also benefit the retirement of future generations.

Medicare Part B Premiums Keep Going Up Faster Than Inflation

BY ALEX MOORE

The standard premium for Medicare Part B has increased faster than inflation as measured by the Social Security cost-of-living adjustment (COLA). Last month, the Centers for Medicare and Medicaid Services (CMS) announced that the standard Medicare Part B premium for 2026 would be $202.90, an increase of nearly 10 percent from 2025's premiums of $185.00. That's more than three times this year's COLA, announced this October at 2.8 percent.

What's most troubling, though, is that this is not a recent trend. As shown in the table below, Part B premiums have now increased faster than the COLA for three consecutive years and in seven of the last 10 years. Over this period, Part B premiums have increased by an average of 5.3 percent per year, while COLAs have only averaged 3.1 percent.

Unfortunately, while the government does have some measures in place to protect seniors from their healthcare costs rising faster than their incomes, those measures generally fall short. Medicare's "hold harmless" provision limits the rise in Medicare Part B premiums deducted from Social Security benefits to no more than a given

COLA vs. Change in Standard Part B Premiums, 2017–2026

Year	Standard Part B Premium	Inflation on Part B Inflation	COLA Implemented
2026	$202.90	9.7%	2.8%
2025	$185.00	5.8%	2.5%
2024	$174.80	6.0%	3.2%
2023	$164.90	-3.1%	8.7%
2022	$170.10	14.5%	5.9%
2021	$148.50	2.7%	1.3%
2020	$144.60	6.7%	1.6%
2019	$135.50	1.1%	2.8%
2018	$134.00	0.0%	2.0%
2017	$134.00	10.0%	0.3%

year's COLA, but that basically means many seniors get their COLAs merely reduced instead of overtaken altogether. However, this provision does not apply to beneficiaries who are new to Medicare or those whose income is high enough to pay more than the standard premium.

So, what should Congress do to solve this problem? A first step would be tying Medicare Part B premiums directly to the COLA: If your benefits go up 3 percent, so will your premium. However, that would likely cause eventual funding issues if healthcare costs continue to rise faster than inflation in the overall economy. Long-term, the focus should be lowering the cost of care relative to other expenses. More preventative care for seniors, better dental and vision and hearing coverage, and more power for Medicare to negotiate drug prices with pharmaceutical companies.

For TSCL, this is an important issue that we will be focusing on intently moving forward. The disparity between COLAs and Part B premium increases has gone on for too long, and American seniors don't deserve to keep seeing their benefits falling further behind.

Win-Win: Volunteering Helps Seniors and Their Communities

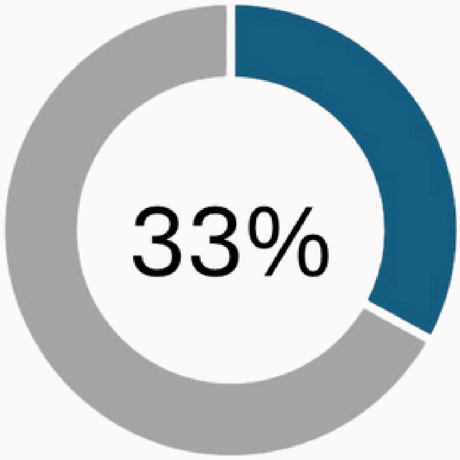
BY ALEX MOORE

It's the holiday season, which for many seniors, means it's time to give back to their communities. According to the 2025 *Lifestyle Survey*, a free TSCL study of more than 1,200 retirees, about 33 percent of older Americans say they regularly volunteer in their communities. With just 28 percent of Americans overall serving as formal volunteers, according to the U.S. Census Bureau's latest data, seniors are substantially more likely than their neighbors to get out and help others.

Volunteering Benefits Seniors as Much as Their Communities

The *2025 Lifestyle Survey* uncovered an interesting connection between participating as volunteers and seniors' overall quality of life. Using statistical testing, the survey determined that seniors who regularly volunteer—no matter how often—are significantly more likely to say they're very satisfied with their lives. They're also much more likely to say they've recently felt positive emotions, like enjoyment and social connection, and less likely to say they've recently felt negative emotions, like anger, loneliness, and sadness.

That only reinforces a mountain of existing evidence supporting the benefits of volunteering. According to the Mayo Clinic, volunteering is associated with better physical and mental health, lower rates of depression and anxiety, and reduced stress.



Of seniors regularly volunteer in their communities.

How Often Do Seniors Tend to Volunteer?

Among seniors who say they volunteer regularly, mileage varies. About one in four are "super volunteers," participating in a community organization at least once a week. As shown in the figure on the next page, about 12 percent serve as volunteers less than weekly but more than monthly, while another 15 percent get involved about once a month. The remaining half of seniors who regularly volunteer do so less than monthly.

Interestingly, TSCL's study suggests that seniors may benefit from volunteering even in small doses. No matter how often they did it, participants in the 2025 Lifestyle Survey who get out and volunteer are still more likely to report high satisfaction with their lives than their peers who never volunteer.

Do You Want to Get Started?

If you want to get out and volunteer, and realize the health benefits that go with it, the best place to start is finding an organization that represents values you want to advance in the world. TSCL's research shows that the top kind of volunteer organizations for seniors tend to be charities and nonprofits (56 percent),followed by religious organizations (34 percent) and political and activist organizations (14 percent).

Most community organizations that accept volunteers will have postings on their websites, although others may require finding opportunities the traditional way through word of mouth. Some will offer continuous opportunities that require a bit more commitment, such as managing the supplies of a food pantry at a church, while others will offer more one-off opportunities, such as welcoming guests at community events.

If you want to volunteer, what's most important is to find the volunteer role that best fits your life priorities, goals, and skills! It's the best way to make not just a positive impact on your community, but yourself.

Volunteer Frequency Among Seniors

Frequency of formal volunteering among seniors who volunteer at least sometimes.