

# RBD FASTFACTS – APPLYING THE 2026 COLA TO SOCIAL SECURITY BENEFITS



# FASTFacts - Applying the 2026 COLA to Social Security Benefits

*Copyright 2025 Ross Business Development, Inc.  
All rights reserved. Not for duplication.*

All other brands and product names are trademarks or registered trademarks of their respective owners.

Ross Business Development, Inc.  
3134 Shumard Way, Marietta, GA 30064  
770-424-1806  
[www.rbdnow.com](http://www.rbdnow.com)  
[info@rbdnow.com](mailto:info@rbdnow.com)

## Use of This Document

**This FASTFact is designed by and remains as the possession of Ross Business Development, Inc. (RBD). It is provided to the user as a reference**

**Other than by Ross Business Development, Inc., this document is not intended to be sold or given away to any other entity, to be used as a reference for policy development for another organization, to be used as a reference for training or to be incorporated as part of a corporation's written policy or as an automated solution without the express, written permission of an officer of Ross Business Development, Inc.**

**Without in any way limiting Ross Business Development, Inc.'s exclusive rights under copyright, any use of these materials to "train" generative artificial intelligence (AI) technologies to generate text is expressly prohibited. Ross Business Development, Inc. reserves all rights to license uses of this work for generative AI training and development of machine learning language models.**

The material contained in this document is not comprehensive of the continually emerging issues surrounding policies in The Multifamily Housing industry.

RBD does not act as a legal advisor nor as a regulatory governing agency. The recipient should understand that any materials or comments contained herein are not designed for, nor should be relied upon as a source of legal guidance or as a final authority with respect to any particular circumstance. Ross Business Development, Inc. makes no warranty of merchantability or fitness for a particular purpose or any other warranty of any type.

Owners and management should seek competent legal advice in developing and carrying out policies and procedures. While we have been diligent in our efforts to provide comprehensive and accurate regulatory information, Ross Business Development, Inc. shall not be responsible for errors or inaccuracies.

## **APPLYING THE 2026 COLA TO SOCIAL SECURITY BENEFITS**

The Social Security Administration (SSA) announced that Social Security benefits, including Old-Age, Survivors, and Disability Insurance (OASDI), and Supplemental Security Income (SSI) payments for 75 million Americans **will increase 2.8 percent in 2026**. On average, Social Security retirement benefits will increase by about \$56 per month starting in January.

Social Security begins notifying people about their new benefit amount by mail starting in early December 2025. Generally, EIV is updated in December as well.

With the government shutdown, we are hearing from some clients expressing difficulty getting updated SSA verification information.

Individuals who have *my Social Security* accounts can view their COLA notices online, which is secure, easy, and faster than receiving a letter in the mail. Account holders can set up text or email alerts when they receive a new message, such as their COLA notice.

Alternatively, owner/agents may implement Streamlined Determination of Fixed Income which is described in Option 3 below.

For HUD's MFH programs, HUD provides the following guidance in [HH 4350.3 R1, C4, Paragraph 9-6](#):

*When processing certifications with an effective date of January 1, February 1, March 1, and April 1, in order to complete the Recertification Steps outlined in Chapter 7, Figure 7-3, and provide the tenant with the required 30-day notice of any increase in rent, the owner must use one of the methods below for determining the tenant's income.*

- 1. Use the benefit information reported in EIV that does not include the COLA as third-party verification as long as the tenant confirms that the income data in EIV is what he/she is receiving; (Note from RBD – EIV will be updated to reflect the COLA increase in December.)*
- 2. Use the SSA benefit, award letter or Proof of Income Letter provided by the tenant that includes the COLA adjustment if the date of the letter is within 120 days from the date of receipt by the owner; (Note from RBD – Under HOTMA, these benefit letters may now be used for the entire year. If owner/agents are implementing any aspect of HOTMA before the official implementation date, [owner/agents must document the tenant file appropriately.](#))*
- 3. Determine the tenant's income by applying the COLA increase percentage to the current verified benefit amount and document the tenant file with how the tenant's income was determined (Note from RBD – this is accomplished using Streamlined Determination of Fixed Income. Owner/agents should print the [2026 COLA Fact Sheet](#) and use that as verification of the COLA percentage. Then apply the COLA percentage to the previous year's benefit amount – see example below); or*
- 4. Request third-party verification directly from SSA when the income in EIV does not agree with the income the tenant reports he/she is receiving. <https://www.ssa.gov/myaccount/>*

*All recertifications effective after April 1 **must** reflect the SSA benefit that includes the COLA.*

For those of you who have implemented **Streamlined Determination of Fixed Income**, remember that, if you conducted traditional verification in 2025 (EIV or an award letter), you need only calculate the increase and include the [2026 COLA Fact Sheet](#) in the Tenant File. No new award letter or EIV verification is required.

## FASTFacts - Applying the 2026 COLA to Social Security Benefits

### [See HSG Notice 16-09 Streamlining Administrative Regulations for Multifamily Housing Programs.](#)

See our RBD OnDemand Training [Streamlined Verification & Implementation of the FAST Act](#) for additional information. When using this method, do not round the monthly benefit amount; round after the annual benefit amount is calculated.

Option 1 – *(Use the benefit information reported in EIV that does not include the COLA as third-party verification as long as the tenant confirms that the income data in EIV is what he/she is receiving)*

For HUD programs, when you select Option 1, you will continue to use the EIV printout showing the current SSA/SSI income. This is acceptable verification when creating any January, February, March or April AR for HUD programs. However, for new Move-ins, Option 1 is not available.

Option 2 *(Use the SSA benefit, award letter or Proof of Income Letter provided by the tenant that includes the COLA adjustment if the date of the letter is within 120 days from the date of receipt by the owner; (Note from RBD – Under HOTMA, these benefit letters may now be used for the entire year. If owner/agents are implementing any aspect of HOTMA before the official implementation date, [owner/agents must document the tenant file appropriately.](#))*

For HUD and LIHTC programs, when you select Option 2, residents must either request the verification letter using the SSA 800 number or by visiting a local Social Security Administration office. Many offices are still open. Otherwise, residents will have to wait until December when letters are issued. When an owner/agent uses a SSA Award Letter to verify the SSA income, the owner/agent MUST include the cents when calculating annual income. This is true even if the residents do not receive the cents and the actual award is rounded down.

Option 3 *Determine the tenant's income by applying the COLA increase percentage to the current verified benefit amount and document the tenant file with how the tenant's income was determined (Note from RBD – this is accomplished using Streamlined Determination of Fixed Income. Owner/agents should print the [2026 COLA Fact Sheet](#) and use that as verification of the COLA percentage. Then apply the COLA percentage to the previous year's benefit amount – see example below);*

For HUD and LIHTC programs, this is referred to as Streamlined Determination of Fixed Income which became available in 2016. With Streamlining Determination of Fixed Income, fixed income amounts are verified once every three years instead of every year. In Year 2 and Year 3, owner/agents may calculate the new income by applying any COLA increase. A copy of the COLA Fact Sheet and information about how the new amount is calculated must be included in the tenant file. This is NOT a HOTMA change.

### **Example 1 Resident's December 2024 Annual ReCertification**

2025 SSA Income

Toni Tenant                      \$1,056.00

New 2026 SSA Income + 2.8%

Toni Tenant                       $\$1,056.00 + 2.8\% = \$1,085.57$

|          |            |
|----------|------------|
| December | \$1,056.00 |
| January  | \$1,085.57 |
| February | \$1,085.57 |
| March    | \$1,085.57 |

## FASTFacts - Applying the 2026 COLA to Social Security Benefits

|           |             |
|-----------|-------------|
| April     | \$1,085.57  |
| May       | \$1,085.57  |
| June      | \$1,085.57  |
| July      | \$1,085.57  |
| August    | \$1,085.57  |
| September | \$1,085.57  |
| October   | \$1,085.57  |
| November  | \$1,085.57  |
|           |             |
| Total     | \$12,997.27 |

Annual Income = \$12,997.00

### Example 2 Resident's January 2026 Annual Recertification

Resident's January 2025 Annual ReCertification

Current SSA Income

Randy Resident      \$1,150.00 \* 12 = \$13,800.00

Rachel Resident      \$1,080.00 \* 12 = \$12,960.00

New 2026 SSA Income + 2.8%

Randy Resident      \$1,150.00 + 2.8% = \$1,182.20  
                              \$1,182.20 x 12 = \$ 14,186.40 (\$14,186.00 Annual Income)  
 Increase              \$32.17 (monthly increase)

Rachel Resident      \$1080 + 2.8% = \$1,110.24  
                              \$1110.24 \* 12 = \$13,322.88 (\$13,323.00 Annual Income)  
 Increase              \$30.25 (monthly increase)

Using this example, this results in a monthly income increase of \$62.42

If you have already completed January 2026 ARs, there is no requirement to correct those certifications to incorporate this change.

### Example 3 Resident's November 2025 Move-in

2025 SSA Income

Andy Applicant      \$1,210.00

Amy Applicant      \$ 985.00

New 2026 SSA Income + 2.8%

Andy Applicant      \$1,210.00 + 2.8% = \$1,243.88  
 Amy Applicant      \$ 985.00 + 2.8% = \$1,012.58

## FASTFacts - Applying the 2026 COLA to Social Security Benefits

| Andy      |             |  | Amy       |             |
|-----------|-------------|--|-----------|-------------|
| November  | \$1,210.00  |  | November  | \$985.00    |
| December  | \$1,210.00  |  | December  | \$985.00    |
| January   | \$1,243.88  |  | January   | \$1,012.58  |
| February  | \$1,243.88  |  | February  | \$1,012.58  |
| March     | \$1,243.88  |  | March     | \$1,012.58  |
| April     | \$1,243.88  |  | April     | \$1,012.58  |
| May       | \$1,243.88  |  | May       | \$1,012.58  |
| June      | \$1,243.88  |  | June      | \$1,012.58  |
| July      | \$1,243.88  |  | July      | \$1,012.58  |
| August    | \$1,243.88  |  | August    | \$1,012.58  |
| September | \$1,243.88  |  | September | \$1,012.58  |
| October   | \$1,243.88  |  | October   | \$1,012.58  |
|           |             |  |           |             |
| Total     | \$14,858.80 |  | Total     | \$12,095.80 |

|                     |  |             |
|---------------------|--|-------------|
| Total Annual Income |  | \$26,954.60 |
|---------------------|--|-------------|

Rounded

\$26,955.00