3 Changes to Social Security, Need To Know *Kailey Hagen, The Motley Fool, March 5, 2023*

You accumulate Social Security work credits throughout your career and must have at least 40 to qualify for retirement benefits. The definition of a credit varies by year. In 2022, you only needed $1,510 in earnings to secure one credit. In 2023, you'll need $1,640. You can earn a maximum of four credits in one year. This means you must make at least $6,560 in 2023 and earn a minimum of 36 other credits in at least nine other years to claim checks in retirement.

Contrary to popular belief, the government doesn't assess Social Security taxes on all income. In 2022, you only paid Social Security taxes on the first $147,000 you earned. In 2023, you'll now pay taxes on your first $160,200 in earnings. If you earn less than $147,000 per year, this rule change won't make any difference. You'll still pay Social Security taxes on all your income in 2023. But high earners will have to pay a little more than they're used to.

The program is spending more money than it's taking in, and it's increasingly had to rely on its trust funds to make up the difference. But this reserve is running low. The latest Social Security Trustees Report, released in June 2022, estimated that the trust funds would be depleted in 2035. But a more recent Congressional Budget Office report has moved that estimated depletion date to 2032. This could be due, in part, to the large COLA this year, which has increased the program's expenditures even further.

It becomes obvious that some modifications to the program will have to be made to protect these programs such as Social Security, Medicare, and other Healthcare style programs. If you are a recipient of these program benefits, you understand their importance and the seriousness which would result from any cuts to benefits. Which unfortunately, is the solution offered by many politicians. There are several other alternatives, such as raising the caps and taxing all forms of income, besides wages. So the question is “Do you cut benefits, or increase taxes on those who can pay their fair share.” Time will tell.

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The Fair Tax Act????? *Rep. Earl L. “Buddy” Carter (R-GA-11) Introduced 01-09-2023*

This bill imposes a national sales tax on the use or consumption in the United States of taxable property or services in lieu of the current income taxes, payroll taxes, and estate and gift taxes. The rate of the sales tax will be 23% in 2025, with adjustments to the rate in subsequent years. There are exemptions from the tax for used and intangible property; for property or services purchased for business, export, or investment purposes; and for state government functions.

Under the bill, family members who are lawful U.S. residents receive a monthly sales tax rebate
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(Family Consumption Allowance) based upon criteria related to family size and poverty guidelines. The states have the responsibility for administering, collecting, and remitting the sales tax to the Treasury. Tax revenues are to be allocated among (1) the general revenue, (2) the old-age and survivors insurance trust fund, (3) the disability insurance trust fund, (4) the hospital insurance trust fund, and (5) the federal supplementary medical insurance trust fund.

No funding is authorized for the operations of the Internal Revenue Service after FY2027. Finally, the bill terminates the national sales tax if the Sixteenth Amendment to the Constitution (authorizing an income tax) is not repealed within seven years after the enactment of this bill.

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Federal Reserve: US could enter another "Credit Crisis" if student loan debt isn't forgiven!

Heather Leigh, March 1, 2023, ABC Action News Tampa Bay

The future of the "Student Loan Forgiveness" program is now in the hands of the Supreme Court. Justices heard arguments in two cases as they decide whether the president has a constitutional right to cancel billions of dollars in federal loans.

The Congressional Budget Office estimates the program would cost an estimated $400 billion. Is it fair to all taxpayers. "What I think they argue, that is missing, is cost to other persons in terms of fairness, for example, people who've paid their loans, people who don't ... have planned their lives around not seeking loans, and people who are not eligible for loans in the first place," An estimated 40 million Americans have student loans and around 30 million have applied for relief through the program, which could provide forgiveness of up to $20,000 per borrower.

Paul Oster, the CEO of Better Qualified, a credit management company, said student loans are a great way to build up credit, but they can also be a way to destroy it. "A one-time 30 late-day payment on a student loan could easily cost that person 50-100 points on a credit report," Oster said. "So, our credit score is going to cost or save us money every day. This is a situation where if you lose 50-100 points and then you have to buy a car, or you need a credit card, and certainly if you're going to buy a home, those interest rates are going to be astronomical."

Late last year, the Federal Reserve reported household debt rose to $16.9 trillion. It said young borrowers are struggling the most. The Fed also reported credit card balances increased by $61 Billion reaching $986 billion, which is higher than the pre-pandemic high.The Fed put out a pretty stark warning that if the student loan forgiveness program doesn't pass, the U.S. could face another credit crisis. When we asked Oster about those implications, he said the country is in an environment like never before – dealing with multiple macroeconomics like the pandemic, the war in Ukraine, and China, plus inflation and high-interest rates.

This is an opportunity for us as a country to say hey, wait, we better take a look at how to help these young people get out of this debt because if we don't, maybe they won't buy a house or the new car, they aren't going to have money to spend," Oster said. The average federal student loan debt is $37,574 per borrower. Private student loan debt averages $54,921 per borrower. The average student borrows over $30,000 to pursue a bachelor's degree. A total of 45.3 million borrowers have student loan debt; 92% of them have federal loan debt.

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Conference Registration has opened for NARFE's virtual legislative training conference, LEGcon23, which is scheduled for June 20-22, 2023, with a pre-training "Know Before You Go" session on June 14 to familiarize registrants with the procedure and instructions for their successful participation in the conference and the **virtual** visits with lawmakers. Register today.