



Inflation Likely to Last Through 2023

Many of you may have been trying to catch up on family gatherings and travel this year after those activities were so curtailed during the pandemic. Now rising interest rates for consumer credit cards, on top of higher food and gas prices, may be putting a damper on these summer activities. How long will inflation drag on?

Older consumers have been under pressure from rising prices for more than a year and a half. According to TSCL's surveys and your email, inflation isn't showing any sign of going away soon. In fact, both the Congressional Budget Office and the Social Security Administration estimate that high inflation will stick around through 2023.

See the chart on page 8 to learn what government economists forecast, and what things cost as of June 2022 consumer price data from the Bureau of Labor Statistics (BLS).

How has inflation impacted your standard of living in recent years? Please tell us by taking TSCL's new *Retirement Survey*.

Sources: *The Budget and Economic Outlook: 2022 to 2032*, Congressional Budget Office, May 2022. *The 2022 Social Security Trustees Annual Report*, June 2, 2022.

“Data Mining” Scheme to Overcharge Medicare Leads to Crackdown

Data analytics firms and “data mining” are the center of a broad government crackdown on abusive Medicare Advantage overcharges according to the U.S. Department of Justice. In California, for example, a health system scoured the health histories of thousands of Medicare patients it found through “data mining” of

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New!

TSCL's 2022 Retirement Survey—starting on p. 4

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Number of Older Adults Receiving Low-Income Assistance May Have Doubled Since the Start of the Pandemic

By Mary Johnson, editor

Roughly 37% of older adults who participated in TSCL's latest survey, the “Seniors Priority Plan,” had some startling information for us as well as for Members of Congress. This group indicated that they receive low-income assistance such as SNAP (food stamps), rental subsidies, and help with Medicare costs. That's more than double the number of older adults who were receiving assistance from these programs in 2019 *before* the start of the COVID-19 pandemic, according to the U.S. Census Bureau. The fact that these safety net programs have grown so rapidly over the past two years is an indication that Social Security and Medicare are not enough for many retirees to depend on alone, especially during a period of exceptionally high inflation.

These assistance programs form a critical means of supplementing Social Security and Medicare but qualifying for benefits isn't easy. Each state has its own rules including limits to the resources or savings that

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Medicare Won't Issue Refunds for Part B Premiums This Year

Rick Delaney, TSCL Chairman of the Board

Here's a recent email that we received from a TSCL supporter in the state of Washington:

I must have missed TSCL's response to The Biden Administration. It quietly announced last week that it will leave in place one of the largest-ever Medicare premium hikes for the remainder of 2022, despite federal health officials' decision to restrict coverage of the expensive and potentially ineffective Alzheimer's drug that drove the increase. They estimated that Medicare Part B's monthly premiums in 2022 would have been \$160.30 instead of \$170.10 if Aduhelm were removed from the equation.

—F.P.

As our reader points out, the Center for Medicare and Medicaid Services (CMS) recently announced their decision about coverage of the pricey Alzheimer's drug, Aduhelm, and whether Medicare recipients would receive a refund on a portion of their 2022 Part B premium. CMS agreed with TSCL that Medicare beneficiaries had been (unintentionally) overcharged but said that refunds would be virtually impossible to implement. Instead, the excess premium amounts will be used to lower the Part B premium for 2023.

While we were hoping for a refund given the League and its supporters' outcry over the issue, we think TSCL members and

supporters can still claim victory. The Congressional Budget Office recently said that Medicare outlays are projected to increase by an estimated 16% in 2023, but the delayed Part B refund could help offset a premium increase of that magnitude.

Like our writer from Washington state, a great many of you are fuming over the Medicare Part B premium increase that started in January of this year—one of the highest in program history. TSCL believes beneficiaries were overcharged and we were one of the first senior advocacy groups to give the issue public attention. TSCL calculates that Medicare beneficiaries are due a refund of about \$9.80 per month (\$117.60 year).

You may recall that in November of 2021, CMS announced the 2022 Medicare Part B premium rate of \$170.10, a stunning 14.5% increase from the 2021 premium. The increase took everyone by surprise. It was double the amount that Medicare's Trustees had forecast for 2022 that was published in their annual report just a few months earlier.

The increase was driven in large part by the potential costs of Aduhelm, a pricey and controversial new drug for the treatment of Alzheimer's disease. The potential Aduhelm costs were responsible for about half of the \$21.60 per month premium increase from \$148.50 in 2021 to



Rick Delaney,
Chairman of the Board, TSCL

\$170.10 in 2022. At the time, Aduhelm had a \$56,000 per year price tag, and there was uncertainty over how often the drug would be prescribed to patients, given the fact that CMS had not yet approved the drug for coverage under Medicare. CMS at the time defended their decision stating that the Medicare Part B premium must allow for sufficient reserves to cover potential Medicare Part B costs during the year.

But just weeks after the announcement of the 2022 premium increase, the manufacturer of Aduhelm announced it was cutting its average price in half to \$28,200 per year. Then early in 2022 CMS said it's coverage decision for Aduhelm would only be for very limited use—only in clinical trials and only for certain types of Alzheimer's patients. In January 2022, the Secretary of the Department of Health and Human Services instructed CMS to reassess the 2022 Medicare Part B premium. Such a redetermination of the existing Part B premium is unprecedented.

The Centers of Medicare and Medicaid Services (CMS) agreed that beneficiaries are being overcharged for their Part B premiums in 2022.

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Legislative Update

TSCL Endorses Legislation That Would Boost Benefits \$2,400 per Year

By Doug Osborne, TSCL Legislative Liaison

Social Security recipients have been hit hard by inflation this year. Inflation is eating into the buying power of savings and millions of retired and disabled beneficiaries are carrying debt—particularly for medical expenses.

But legislation has been introduced in the House and Senate that would boost Social Security payments by \$2,400 annually while increasing program solvency for 75 years. TSCL believes The Social Security Expansion Act introduced by Representative Peter DeFazio (OR-4th) and Senator Bernie Sanders (VT) could make a significant difference for many Social Security recipients. The legislation comes as Social Security is forecast to reach the point where it can no longer pay full benefits by 2035 unless Congress takes action to boost the program's finances.

TSCL recently endorsed the legislation which includes another change that would boost benefits by using the Consumer Price Index for the Elderly (CPI-E) to calculate the annual cost-of-living adjustment (COLA). These are exactly the types of benefit changes that have the strongest

support from participants in TSCL's recent surveys.

The bill strengthens Social Security finances with adjustments to existing sources of revenue and two new ones. For example, in 2022 Social Security payroll taxes are applied to earnings up to \$147,000. The legislation would lift that and apply the payroll tax to all wages above \$250,000. That proposal also has the support of large majorities of TSCL survey participants.

The legislation would create a completely new source of revenue by applying the 12.4% Social Security tax to investment income and capital gains for individual taxpayers with incomes of \$200,000 and up and, married



Doug Osborne,
TSCL Legislative Liaison

taxpayers who file jointly with incomes of \$250,000. In addition, the bill would also apply a 16.2% tax on active S corporations and active limited partners.

As you can imagine, these tax provisions are controversial and while the legislation has strong support from TSCL and other Social Security advocacy groups, it has met strong resistance in the Senate.

TSCL is eager to hear what you think about this bill. Please tell us by taking TSCL's new *Retirement Survey*. ■

Your Opinion Counts!

We can strengthen Social Security, Medicare and Medicaid programs without the need for deep cuts and higher out-of-pocket costs. The Senior Citizens League needs your opinions and ideas to share with Members of Congress on the issues. Make sure they hear your concerns. Take a survey, sign a petition, read about the latest legislative action in Congress, or send us an email. Visit The Senior Citizens League's website at <https://seniorsleague.org/2022-retirement-survey/>. ■



The Social Security & Medicare Advisor © 2022 is published by The Senior Citizens League (TSCL). TSCL is an organization of active seniors concerned about the protection of their earned Social Security, Medicare, military, and other retirement benefits. TSCL's supporters participate in a number of grassroots lobbying and public education campaigns to help ensure governmental bodies live up to their commitments. Current active contributors to The Senior Citizens League are entitled to receive *The Social Security & Medicare Advisor*. Readers wishing to contact TSCL should address correspondence to The Senior Citizens League, 1800 Diagonal Road, Suite 600, Alexandria, VA 22314. TSCL website: www.SeniorsLeague.org. Editor: Mary Johnson.



TSCL 2022 Retirement Survey

Tell Congress What You Think!

You can help inform the public and members of Congress about issues affecting older Americans. Your response to this survey helps The Senior Citizens League (TSCL) bring you better services to meet your needs and priorities. Your responses help us craft TSCL's legislative agenda and to represent your interests on Capitol Hill. Your answers are vitally important to us and will be kept anonymous.

Thank you!

If you want to save money on postage, TSCL's 2022 Retirement Survey may be taken online at <https://seniorsleague.org/2022-retirement-survey/>.

Or mail to:
The Senior Citizens League
1800 Diagonal Road, Suite 600
Alexandria, VA 22314

1. How long have you been receiving Social Security benefits?
 0 years, have not started benefits yet
 5 years or less 6–20 years 21–30 years
 Over 30 years
2. Which of the following statements most closely describes your standard of living from the start of the COVID-19 pandemic in March 2020 through the present in 2022?
 My standard of living today is about the same as it was prior to the start of the pandemic.
 My standard of living today has improved and is better than at the start of the pandemic.
 My standard of living today is worsening and I have drawn down savings more rapidly than planned.
 My standard of living today is worsening. I have no savings, have taken on debt and/or I've turned to low income assistance programs.
 Not certain.
3. Which of the following expenditure categories has increased the fastest for you since the start of 2022?
 Housing, including heating and cooling costs
 Transportation, including gasoline, vehicle repairs and maintenance
 Medical and prescription drugs
 Food, restaurants, groceries
 Communications, cable, phone, internet, postage and shipping
 Recreation, movies, pets, sporting goods
 Apparel, clothing, shoes
 Other, including personal care services such as home care
4. Social Security recipients can owe taxes on a portion of their Social Security benefits when their “provisional” income is greater than \$32,000 when married and filing a joint return, or \$25,000 for individuals. Provisional income includes your adjusted gross income, plus one half of Social Security benefits, and certain non-taxable interest. Which of the following statements most closely resembles your tax situation for 2022?
 My household usually pays taxes on a portion of Social Security income and will likely pay a higher amount in taxes for 2022.
 My household sometimes pay taxes on a portion of my Social Security benefits, and the annual higher Cost-of-Living Adjustment (COLA) will likely trigger higher taxes for 2022.
 Until now my household income has been low enough that I never paid taxes on a portion of my Social Security benefits, but I'm worried that I may have to pay the tax for the first time for 2022 due to the 5.9% COLA.
 My household income is too low and I'm not required to file a tax return.
 Not certain

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2022 Retirement Survey; continued from page 4

5. What sources do you have available for retirement income? (Please check all that apply.)
- Social Security.
 - Pension from former employment.
 - Retirement savings accounts, such as a 401(k), Keogh, SIMPLE, IRA or Roth.
 - Other savings, including taxable stock or mutual fund investments.
 - Certificates of deposit, money market accounts, U.S. Treasuries and bonds.
 - Equity in your own home.
 - Real estate and rental property.
 - Earnings from a job or business.
 - Annuities or insurance payouts.
 - Other
6. How much of your total income comes from Social Security?
- Have not started Social Security yet
 - Less than 25%
 - 26%–50%
 - 51%–89%
 - 90% or more
 - Not certain
7. If you have savings, how is it invested? (Please check all that apply.)
- Cash savings, bank money market, or CDs.
 - Bonds or bond mutual funds.
 - Stocks or stock mutual funds.
 - Annuities.
 - Real estate other than primary residence.
 - No savings, not applicable
8. How much in liquid assets does your household have available for retirement savings and income? (Please do not include the value of your primary residence.)
- No savings, not applicable.
 - Less than \$50,000
 - \$50,001–\$250,000
 - \$250,001–\$500,000
 - \$500,001–\$1,000,000
 - Over \$1,000,000

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9. Which of the following financial actions have you taken over the past 12 months? (Please check all that apply.)
- Spent emergency savings.*
 - Depleted a retirement or savings account.*
 - Moved to an area with lower rent or cost of living.*
 - Refinanced a home mortgage.*
 - Carried debt on a consumer credit card for more than 90 days.*
 - Went back to work or took a new job.*
 - Applied for a pharmacy assistance program for one or more expensive prescription drugs.*
 - Applied for Medicare Savings Program or Medicare Extra Help to assist with medical and/or prescription drug expenses.*
 - Visited a food pantry or applied for SNAP benefits.*
 - Applied for rental assistance.*
 - Applied for real estate tax relief program.*
 - Applied for assistance with heating and cooling costs.*
 - Provided room and board, childcare or other assistance for adult children and grandchildren.*
 - Provided food, transportation, cash, or other assistance to family members or others who need help.*
10. How have rising food prices impacted you? (Please check all that apply.)
- You cut the number of meals consumed per day.*
 - You eat more food from local senior meal and food programs such as local soup kitchens, Meals on Wheels, or group meals at senior centers.*
 - You grow some of your own fruits and vegetables.*
 - Instead of your favorite brand products you now buy discounted, expired or generic products.*
 - You cut down or gave up meat and become a vegetarian or vegan.*
 - You have been forced to delay buying food or grocery essentials until next Social Security check.*
 - Cutting back on food due to rising prices worsened some health problems and led to new medical expenses.*
11. Have you gone into debt because of medical bills? Medical debt refers to the balance you owe and carry for more than 30 days for any type of medical expenses. (Please tell us about your experience over the past 12 months, including prescription drug, dental, vision and hearing expenses.)
- I do not have any debt due to medical expenses incurred from 2021 to 2022. I pay by check, cash, or debit, at the time of service, in full within 30 days.*
 - From 2021 to 2022, I borrowed money for medical expenses. (Include any type of borrowing that required more than 30 days for you to pay off—such as setting up billing through hospital or doctor's office, credit cards, home mortgage, getting a loan from a bank or other lender, borrowing from friends and family.)*
 - Not certain*
12. If you are carrying medical-related debt for longer than 30 days, how much do you owe?
- | | |
|---|---|
| <input type="checkbox"/> <i>\$0, no medical debt over 30 days</i> | <input type="checkbox"/> <i>Less than \$500</i> |
| <input type="checkbox"/> <i>\$501– \$3,000</i> | <input type="checkbox"/> <i>\$3,001– 10,000</i> |
| <input type="checkbox"/> <i>More than \$10,000</i> | <input type="checkbox"/> <i>Not certain</i> |
13. Has accumulated unpaid medical debt ever prevented you from receiving services from healthcare providers, filling prescriptions, or accessing long-term care services?
- Yes* *No* *Not certain* *Does not apply, no debt*

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14. The following provisions are contained in proposed Social Security legislation. It makes Social Security benefits more generous and pays for it by new tax increases to keep Social Security solvent over the next 75 years. (Please indicate whether you favor, oppose or are uncertain about the following provisions of the bill.)
- A.) Boosts monthly benefits by about \$200 per month on average for every retiree.
 Support Oppose Not certain
- B.) Uses the Consumer Price Index for the Elderly (CPI-E) to calculate annual COLAs.
 Support Oppose Not certain
- C.) Provides a new minimum benefit that would be 125% above the annual poverty guidelines for an individual with very low lifetime earnings.
 Support Oppose Not certain
- D.) Applies the Social Security payroll tax to earnings up to \$250,000.
 Support Oppose Not certain
- E.) Applies a 12.4% tax on investment income affecting individual taxpayers with incomes of \$200,000 or more, joint filers with incomes of \$250,000 and up.
 Support Oppose Not certain
- F.) Applies a 16.2% tax on active S-corporation holders and active limited partners.
 Support Oppose Not certain
15. Assistance programs such as SNAP (food stamps), rental subsidies, and Medicare Savings Programs are tied to income and federal poverty guidelines. A high Social Security COLA in 2023 could potentially increase incomes enough that most older low-income beneficiaries could see their assistance reduced or even eliminated due to higher Social Security income. Should Congress enact legislation that would temporarily protect low-income Social Security recipients through 2023 from losing low-income assistance due to high COLAs?
 Support Oppose Not certain

You're almost finished.

**TSCl's 2022 Retirement Survey may be taken online at
<https://seniorsleague.org/2022-retirement-survey/>.**

**Or you may print and complete the survey. Put it in an envelope,
add first-class postage and mail your responses directly to us at:**

The Senior Citizens League, 1800 Diagonal Road, Suite 600, Alexandria, VA 22314.

Inflation Forecast for 2022 vs. Actual Costs for 2022

Item	Forecast	Cost or percentage of increase through June 2022
Gasoline (regular)	\$4.05 per gallon average for year in 2022	\$5.15 per gal. (Well above forecast average.)
Electricity	14.4 cents per kilowatt hour average in 2022	16 cents per kilowatt hour (Well above forecast average.)
Food at home	8.5%–9.5%	12.2% (Well above forecast.)
Food away from home	6%–7%	7.7% (Higher than forecast.)

Sources: U.S. Energy Information Administration, U.S. Department of Agriculture, Bureau of Labor Statistics.

“Data Mining” Scheme to Over-charge Medicare Leads to Crackdown; continued from page 1

patients’ current medical records and then pressured doctors to add false diagnoses—often without the patients’ knowledge.

The purpose was not to provide better care, but to pad the medical records with outdated and even irrelevant diagnoses, to make patients appear sicker than they were. The aggressive tactics stem from incentives built into Medicare Advantage plans. The sicker the patient, the more that a plan receives for coverage. The Justice Department says that the maneuver has resulted in millions of dollars of inflated charges by Medicare Advantage companies. In a sample of hundreds of cases of the Palo Alto Medical Foundation and its parent affiliate, Sutter Health, the government’s lawsuit said that 90% of the diagnoses for cancer were invalid, as were 96% of those for stroke, and 66% for fractures.

Nearly half of all Medicare beneficiaries are expected to be enrolled in Medicare Advantage plans by the end of this year, according to the Medicare Trustees’ most recent annual

report. The plans are run by private insurance companies under contract with the federal government. New enrollees are enticed to join through low premiums and some additional benefits (such as gym memberships, or pre-packaged meals when recovering from a hospital stay). But increasingly the plans are costing the federal government and all Medicare Part B beneficiaries more in higher Part B premiums than traditional fee-for-service Medicare, according to MedPAC, a government watchdog panel. The higher costs reached \$12 billion in 2020, out of total program costs of \$350 billion, and are projected to top \$16 billion in 2023, MedPAC has said.

In addition to abusive billings, some plans have also denied medically necessary care. Last month we reported that tens of thousands of Medicare beneficiaries who are enrolled in private Medicare Advantage health plans were denied care that otherwise would have been covered by traditional fee-for-service Medicare. The Department of Health and Human Services Office of Inspector General found that Medicare Advantage plans

sometimes delayed or denied beneficiaries’ access to services, even though the requests met Medicare’s coverage rules. The plans also denied payments to providers for some services that met both Medicare coverage rules and Medicare’s billing rules. Denials can lead to delays or even prevent many beneficiaries from receiving medically necessary care. In addition, beneficiaries can wind up paying out-of-pocket for services that should be covered by their health plan.

TSCL supports stronger oversight and enforcement measures for Medicare to prevent abusive billing practices which not only cost the federal government more but drive up Part B premiums for each and every beneficiary, even those who aren’t enrolled in a Medicare Advantage plan.

How are rising Part B premiums affecting you? Have increased Medicare costs caused you to take on medical debt? Please tell us by taking TSCL’s new *Retirement Survey*. ■

Sources: “Beat Cancer? Your Medicare Advantage Plan Might Still Be Billing For It,” Christopher Rowland, The Washington Post, June 5, 2022.

Number of Older Adults Receiving Low-Income Assistance May Have Doubled Since the Start of the Pandemic; continued from page 1

beneficiaries may have and remain eligible for benefits. There are also income restrictions. The federal poverty guidelines allow individuals an annual income of \$13,590 per year or \$18,310 for 2 person households, although the maximum allowed in each state varies.

One would think that low-income Social Security recipients would benefit the most when the annual cost-of-living adjustment (COLA) is high, but that's not always the case. In fact, a high COLA, such as the 5.9% adjustment that Social Security beneficiaries received this year can boost incomes above eligibility levels for these low-income program limits. Enrollees

in these programs often experience benefit trims or in some cases, a loss of benefits altogether.

TSCl's recent Senior Priority Plan Survey confirms this. Of those who receive some form of low-income assistance benefits, 39% reported their low-income assistance was trimmed in 2022. Another 15% reported losing eligibility for some benefits altogether. The remaining 46% said they are receiving either the same level of benefits, or more in 2022.

These findings are critically important to help the public and Members of Congress understand the impact that high inflation has on low-income older adults, as TSCl makes the case for a \$1,400 stimulus check for Social Security recipients. We feel stimulus checks are important because they are a

form of advance tax credit. As such the checks are not counted as income, and thus would not negatively affect existing low-income benefits or cause higher taxes for other Social Security recipients.

With this newsletter we are launching a new survey and invite you all to participate. TSCl has received tremendous interest in many of our recent survey results—so much so that we are continuing to ask certain questions. Even if you have taken our other two surveys this year, please take our *NEW Retirement Survey*. Your responses are getting attention and getting action! ■

Source: "One in Six Older Americans Received Needs-Based Assistance Even Before Pandemic," Katherine G. Giefer and Michael D. King, U.S Census Bureau, October 28, 2021.

Medicare Won't Issue Refunds for Part B Premiums This Year; continued from page 2

However, it said refunds would not be feasible given the "operational complexity" of making such a refund.

Getting refunds out to close to more than 59 million beneficiaries, does present a host of challenges, including the risk that refunds could lead to improper payments.

It's not as simple as just coordinating things between the Social Security Administration and CMS. The biggest challenge is the very long list of entities which manage Part B premium collection and payment. A Medicare Part B refund would also need to be coordinated

with the Office of Personnel Management (for retired government workers), the Railroad Retirement Board, all 50 states and "other third-party payers" that could potentially include some Medicare Advantage plans that pay the Part B premium for their enrollees.

Consequently, CMS says it would do the next best thing it can, by using the excess premium charges to reduce the Part B premium increase for 2023. Although the Part B premium for 2023 won't be announced until November of 2022, the Medicare trustees currently estimate that there will be *no increase* in the Part B premium in 2023. While that's just an estimate that could

change up or down, we take this as a hopeful sign. No increase in the monthly Part B premium would mean that most beneficiaries would get to keep most, or even all of their COLA to cover other rising costs.

How are rising Medicare costs affecting you? Have you ever carried medical debt due to those costs? Please help TSCl with our research into the challenges faced by retirees. Take our new *Retirement Survey*. ■

Sources: "Report to the Secretary, Reexamination of the 2022 Medicare Part B Premium," Paul Spitalnic, Chief Actuary, Centers for Medicare and Medicaid Services, May 16, 2022. 2022 Medicare Trustee Report, June 2, 2022. The Budget and Economic Outlook: 2022 to 2032, Congressional Budget Office, May 2022.

ASK THE ADVISOR

How Did Mortality from COVID-19 Pandemic Affect Social Security Finances?

Q: I recently read that the Social Security Trust Fund picked up an extra year of solvency. Was that due to the high mortality rate in seniors during the pandemic?

A. The Social Security Trustees recently estimated that the program would be solvent one year longer than they estimated last year. As you suspect, mortality did play a role—Social Security’s finances improved slightly *due to the jump in deaths* from COVID-19 when the program outlays fell. But the savings were offset when inflation boosted program outlays due to the 5.9% annual Cost-of-Living Adjustment (COLA) in 2022 which increased long-term costs. Another high COLA is expected for 2023, which we expect will be about 9.6% as of data through July 2022.

Between January 2020 through June 2, 2022, more than 1 million older adults over the age of 64 died from COVID-19. That was almost three quarters of all deaths from the disease. The high number of deaths led the Congressional Budget Office (CBO) to lower its estimate of Social Security outlays in 2022 by \$8 billion, and a total of \$322 billion over the next decade from 2022 to 2031. Over the same period, higher COLAs will increase outlays by \$617 billion, the CBO estimates.

The Social Security Trustees did estimate however, that the Trust Fund gained a year in solvency. The Social Security insolvency date is now projected to be 2035 instead of 2034. While mortality played a role in the improved solvency, increased

program revenues play an even bigger role—including more from the taxation of Social Security benefits.

The Social Security insolvency date is now projected to be 2035 instead of 2034. While mortality played a role in the improved solvency, increased program revenues play an even bigger role—including more from the taxation of Social Security benefits.

Since the start of 2021, TSCL has been concerned that significant numbers of older taxpayers may be liable for tax on their Social Security benefits for the first time during the 2023 tax season. Social Security benefits increased by 5.9% this year, a big jump in income during any typical tax season. Households that also have income from retirement savings might have drawn down more than usual to cover rising costs, due to inflation. That would boost their taxable income by even more. Those who already pay taxes on Social Security benefits, might be on the hook for a bigger tax bill next April.

In fact, based on the taxation of Social Security benefits, the Trustees clearly think that higher retiree income will spell higher tax revenues well into the future for Social Security. But those estimates are accurate only if the assumptions that Trustees make about the future pan out. Forecasts of higher tax revenues could quickly change if our economy falls into recession, layoffs climb, and payroll taxes decline. Ninety percent of Social Security’s income comes from payroll taxes revenues.

Can you help TSCL with our research into the challenges faced by retirees? Take our new *Retirement Survey* and help us learn how inflation is changing your retirement and the way you live. ■

Sources: COVID-19 deaths reported in the U.S. as of June 2, 2022 by age, Statista.com, June 24, 2022. “The Budget and Economic Outlook: 2022 to 2031”, Congressional Budget Office, May 2022. The 2022 Social Security Trustees Report, June 2, 2022.