

SOCIAL SECURITY & YOU

FROM THE OFFICE OF ATTORNEY WILLIAM CRAWFORTH

WINTER 2017

Message From Attorney Crawford

CHANGE IN SS RULES ALTERS THE WAY OASI BENEFITS ARE PAID

As regular readers of SS&Y are aware, the Social Security Administration administers 2 trust funds. The Old Age Survivors Insurance (OASI) fund pays retirement benefits. The Disability Insurance fund (DI) pays disability benefits.

When Congress passed and President Obama signed the Bipartisan Budget Act in November of 2015 to reallocate current contributions between the OASI trust fund and the DI trust fund to ensure the future stability of the later, other changes were made to Social Security. Among them was Section 831, entitled "Closure of Unintended Loopholes."

While it remains the case that every month a person waits to apply from age 62 to age 70 increases the monthly lifetime OASI benefit (roughly 8% per year), the law closes a couple of so-called "loopholes" that enabled married recipients of OASI benefits to maximize their benefits both presently and in the future.



Until a worker reaches full retirement age (currently 66 years) there is an offset if the recipient earns more than \$15,800 in earned income. (Investment income

doesn't effect benefits.) For every \$2 earned above the threshold a reduction of \$1 in SS benefits is made. After full retirement age there is no reduction.

The mechanism targeted by the change in the law is the so-called "file and suspend" strategy. Formerly one spouse (generally the higher wage earner) could file for benefits which would qualify the spouse for a benefit equal to 50% of the filing spouse amount. The filing spouse could then "suspend" his or her benefits, keep on working (or not) and let the benefit amount continue to grow up until age 70. This strategy ended for persons who didn't file by April 30, 2016. A worker can still file and suspend but the spouse cannot draw while the filing spouse's benefits are suspended.

The other loophole went as follows. Formerly, the older spouse could file for benefits and whether over or under the filing spouse's age, the younger spouse could draw 50% of the older spouse's benefit, even if the non-filing spouse was working. This did not trigger the coordination between income and benefits for recipients still working who were under 66. The non-filing spouse's benefit amount would continue to grow. Now, when a retired worker files for either benefit, he or she is "deemed" to have filed for both. Therefore, the incentive to file for the spouse's benefit while letting the other grow is gone.

Now both spouses must file at the same time to draw on one another's account. This change only affects persons who turned age 62 after January 1, 2016. Those over 62 on that date may still utilize this strategy.

SSA TRUST FUNDS FULLY FUNDED UNTIL 2034

A year ago Americans were all concerned about the pending insolvency of the Social Security trust funds. The Disability Insurance fund (DI), which pays disabled workers and their families, was due to go underwater in 2017.

In a rare display of bipartisanship, especially entering into an election year, Congress and President Obama got together and reallocated current contributions to assure that both trust funds (the other is Old Age and Survivors Insurance, or OASI) would remain solvent until 2034.

The DI fund will now be able to pay full benefits until 2023 and the OASI fund will be able to pay full benefits into 2035.

The Congressional Budget Office reports in 2015 the DI program paid a total of \$143 billion to almost 9 million disabled beneficiaries and about 2 million spouses and dependent children. The percentage of working-age persons receiving DI benefits tripled from 1970 until 2014 from 1.3% to 4.5% as the population aged. This percentage declined slightly in 2015.

MICHIGAN JOINS THE STATES ALLOWING ABLE ACCOUNTS

Michigan has joined the states of Nebraska, Tennessee, Ohio & Florida in allowing citizens to establish ABLE accounts. Oregon is scheduled to come on board in December 2016. ABLE is an acronym for "Achieving a Better Life Experience". Much like 529 college savings plans, ABLE accounts allow people with disabilities and their families to save money without losing eligibility for SSI or Medicaid.

The various state plans have differing requirements, investment options and policies but all are restricted to persons whose disability onset occurred before age 26. Persons on SSI have been doomed to a life of poverty due to the need-based aspect of their benefits.

Michigan's MiABLE plan allows persons with disabilities to save up to \$14,000 per year without jeopardizing their qualification for SSI, Medicare or other need-based benefits.

Further information on Michigan's plan is available at www.miable.org. Information on plans available in other states is available at www.ablenrc.org.

FEWER SENIORS GETTING FLU SHOTS

Getting a flu shot each fall is automatic for Attorney Crawforth, his wife and millions of others over the age of 60. But not for everyone, apparently.

The Centers for Disease Control (CDC) report that the flu vaccination rate for all Americans was 45.6%, down 1.5% from 2014. The largest decreases were among those age 50 & over. Those 50-64 saw 3.4% decline while the decrease for those 65 and older was 3.3%. This is hard to understand since the flu attacks seniors and infants the hardest.

It's never too late in the season to get a flu shot and Attorney Crawforth urges everyone over 50 to do so.

FUNDING FOR SSA UP IN THE AIR AFTER ELECTION

Prior to the end of the fiscal year ending October 1, 2016 Congress passed and President Obama signed a stop-gap spending bill to keep the country running until December 9, 2016. Normally, a budget for the next fiscal year is passed. Now that President-elect Trump is preparing to take office the lame-duck Congress will have to address funding issues with that in mind.

It is not at all clear how the Social Security Administration will fare in this process. President Obama's projected budget for SSA of \$13.067 billion is considerably higher than the projected amounts by either the House (\$11.899 billion) or the Senate (\$12.482 billion), both of which are controlled by the Republicans.

SSA staffers have warned that even if funding is flat, there will be a shortfall of \$350 million in increased fixed costs. Failure to adequately fund the administrative side of Social Security will mean that any projected gains in productivity by the hiring of 250 additional Administrative Law Judges will be negated by the inability to hire staff.

SMALL COLA FOR 2017

After no increase in the amount of Social Security Disability, Retirement & SSI benefits for 2016 the Social Security Administration has announced a small cost of living (COLA) hike for 2017. Recipients will see a 0.3% increase in their checks in 2017.

The average Title II Disability Insurance Benefit for 2017 will be \$1,170.46; up \$4 per month. SSI benefits will max out at \$735 per month; up \$2 from 2016.

The substantial gainful activity (SGA) threshold will grow to \$1,170; up \$40 per month.

The COLA is calculated by examining inflation between the third quarter of 2015 and 2016 as measured by the Consumer

Price Index for Urban Wage Earners & Clerical Workers: the so-called CPI-W. Part B Medicare premiums will rise to \$134 per month for most people.

Further information is available at www.ssa.gov & www.Medicare.gov.

STUDIES, STUDIES, STUDIES

Once again, Attorney Crawforth is happy to report the results of many studies he has compiled over the past several months. As always, some are so obvious it makes you wonder why a study was necessary. Others are interesting or funny.

As usual, the primary topic for studies is food. According to the medical journal, *BMI*, in a study of nearly half a million people in China over 7 years, persons eating spicy foods one or more times per week had a 10-14% reduced risk of death over those who seldom ate spicy food. The reason was not clear but the speculation was around the compound, capsaicin, derived from chili peppers.



Nuts have been known to have health benefits for years and have been the subject of prior studies. Now a large-scale, 30 year Harvard study has found that people who ate a small handful of nuts (1 oz) seven times per week were 20% less likely to die for any reason than those who avoided nuts. Those eating nuts at least 5 times per week were 29% less likely to die from heart disease and 11% less likely to die from cancer. Also, a 2015 Spanish study found that older adults who ate a handful of nuts daily improved their memory over 4 years.

A recent study published in the *Journal of Clinical Sleep Medicine* reports eating a meal high in fiber but low in saturated fat and sugar helped people fall asleep in less than 20 minutes, compared to 30 minutes for those who ate more sugar and fat and less fiber.

A 2013 study published in the *International Journal of Obesity* found that overweight & obese adults who ate their biggest meal earlier in the day lost more weight than those who ate later.

A recent study from Rush University in Chicago finds that even though regular fish consumption does raise mercury levels, those levels were not associated with the abnormalities associated with stroke, Alzheimer's disease or other dementia.

A study in the *British Medical Journal* reported that 3 servings of whole grains daily reduced the risk of heart disease, infectious diseases, diabetes, cancer and respiratory diseases. Another study from the American Heart Association's journal *Circulation* reported that persons who had 3 or more servings per day had a 25% reduction in cardiovascular death and a 14% decrease in death from cancer.

A study released by the World Health Organization, *Lancet Oncology* reports that drinks at or above 149 degrees Fahrenheit "possibly" lead to esophageal cancer. This reverses a prior report that drinking coffee did not cause cancer.

For years Attorney Crawforth has asked his wife not to leave snack food or even good bread out in plain sight so he didn't eat more than he should. Now researchers at Cornell University found that the types of ready to eat food left in plain sight on the kitchen counter can predict your weight. For instance, those who left canned pop (called soda almost everywhere but Michigan) out in the open weighed an average of 24-26 lbs. more than those who didn't. Persons who left breakfast cereal out in plain sight weighed an average of 20 lbs. more.



A study published in *JAMA Oncology* found that not eating for 13 hours between dinner and breakfast may reduce the risk of recurrence of breast cancer in women by 36%. It was not clear to researchers why this made a difference.

Relationships also provide plenty of fodder for studies. For example, Researchers from the University of California-Berkeley and Northwestern University report how spouses fight affects their health in different ways. Not surprisingly, spouses who get very angry and rage at their counterparts are more likely to develop cardiovascular problems such as chest pain or high blood pressure while those shut down emotionally & keep it all inside are more likely to develop muscular issues such as neck or back pain.

A study conducted at the University of Michigan Institute for Social Research finds the risk for divorce rises when the wife becomes seriously ill, but not when the husband does. The study did not address why the difference exists.

Researchers at Coventry University in England report that sex is good for the brain. The study of men & women between the ages of 50 to 89 who were sexually active scored higher on cognitive tests than those who were not. Because sex increases the level of the hormones, dopamine and oxytocin, researchers speculate the cause is improvement in connectivity between regions of the brain.

A study released this year by University of Michigan researchers found that long-time married couples become biologically similar as they age in terms of kidney function, cholesterol, grip strength, difficulty performing daily tasks, and depression. An earlier study by the University of British Columbia and Penn State University if couples married more than 40 years also found that couples begin to mirror each other's physical and emotional health as they age.

A spouse's depression can raise the other spouse's risk of chronic pain, according to a University of Edinburgh study. While caring for a depressed spouse could be a factor, similar diet and other habits also may play a role.

A Michigan State University study found that a nagging wife can slow the development of

diabetes and prompt following of doctor's orders by the husband. Interestingly enough, the reverse was not found to be true. While husbands apparently interpret nagging regarding health issues as evidence she cares, for wives, it's just nagging when the husband does it.

A University of Michigan study of older couples found if one spouse was an optimist there were health benefits to the more pessimistic spouse, as well. Not only did both spouses have better mobility and motor skills over time the incidence of chronic illness, such as diabetes and arthritis, was less.

A recent AARP study found that 92% of adults who reported their brain health as excellent also reported being happy while only 64% of those who reported their brain health as good, fair or poor said the same.

We've all known fair-skinned, freckle faced redheads who sun burned easily. A study done at Britain's Wellcome Trust Sanger Institute concluded such persons have an increased risk of developing skin cancer equivalent to an extra 21 year's exposure to the sun.

A Finnish study of sauna use found that men who partook 2-3 times per week had a 22% less chance of death due to a sudden cardiac event than who used a sauna once per week. And men who used a sauna 4-7 times per week had a 63% reduction in their risk. Those who took frequent saunas also lived longer than those who took fewer.

NUMBER OF PERSONS SEEKING SS DISABILITY BENEFITS DROPPING

After peaking in 2010 at 2.9 million applicants, the number of persons seeking Title II DIB benefits continues to drop. In 2015 there were 508,355 fewer applicants for Title II DIB benefits. The trend continued through the first 9 months of 2016. There were 57,053 fewer claims filed during those months in 2016 compared to the same period in 2015.

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WIN ATTORNEY CRAWFORTH'S TIGER TICKETS

The Detroit Tigers finished one game out of the wild card last season but it was an entertaining one, nevertheless. We saw the resurgence of Justin Verlander, the rise of Michael Fulmer, an all-star caliber season from Ian Kinsler and another Hall of Fame season from star Miguel Cabrera.

The following lucky winners of Attorney Crawforth's tickets got to see some exciting baseball, first hand.

- Noel from Warren**
- Roberta from Southgate**
- Susan from Ann Arbor**
- Sarah from Detroit**
- James from Monroe**
- BobbiJo from Inlay City**
- Carl from New Haven**
- Paul from Ann Arbor**
- Pauline from Detroit**
- David from Saline**

By completing and returning the enclosed entry blank you can enter to win tickets during the 2017 season.

*Yes, I would like to enter to win
Tiger Tickets*

Name _____

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