



# SOCIAL SECURITY ADVISOR

## Social Security Planning for Retirement

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#### GUEST EXPERT: Edward A. Zurndorfer EA, CFP®, ChFC®, CLU®, CEBS

EZ Accounting and Financial Services  
Silver Spring, MD

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Join the Retirement Planning Conversation



### ...And the COLA is 8.7%!

On October 13, 2022, the SSA released next year's highly anticipated cost-of-living adjustment (COLA), which is scheduled to increase the payments to income recipients this December, for receipt in January 2023. Roughly 70 million Americans will receive the 8.7% raise; the increase will add \$149 to the average 2022 retirement benefit of \$1,681 a month, making the new average payout \$1,827. COLA notices will be mailed throughout the month of December; beneficiaries also may log into their *my Social Security* account in early December to view this information under "Message Center."

After a year of battling higher prices in almost every category of spending, from gas to groceries, receiving the highest COLA in more than 40 years — *since an 11.2% increase for 1981* — will be welcomed. Good news also came from Medicare: the standard Part B premium, which normally takes a bite out of the COLA, will go down in 2023 by \$5.20 a month, from \$170.10 in 2022 to \$164.20 in 2023. For a complete breakdown of all the 2023 numbers, refer to the insert in this month's issue.

### When the Annual Earnings Test Deals a Double Whammy

Recently, I received the following question from Brad Bobb of Springfield, IL, one of our newsletter subscribers, that brought to light a unique situation that can have minor curveball affects. The issue here involves the annual earnings test (AET), a rule that applies to early filers who continue to work.

We've covered the AET in the past, but Brad's case threw a monkey wrench into the usual fact pattern which inspired me to share the case with our readers. Thanks, Brad!

Brad's question went like this:

*"I am working with AI, who plans to file for Social Security next September, when he reaches age 70.*

*His wife, Mary Ann, age 65, earns \$70,000 a year but will retire in January 2023. Al earns \$200,000 annually with no plans to stop working.*

*I don't believe Al should collect a spousal benefit on Mary Ann's work record, because his earnings will reduce what he can collect and maybe even reduce her benefit. Is that possible?*

*Last year, Mary Ann attempted to file for her benefit, so Al could file for a spousal benefit, but the SSA denied their requests. Now I'm wondering if it was his earnings or hers that was the problem. I am just as confused as Al and Mary Ann on why their claim was*

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