



# KREPPTEL TAX ADVISORY GROUP, INC.

TAXES, INSURANCE AND ADVISORY SERVICES

Newsletter Winter 2023

[www.kreppeltaxadvisorygroup.com](http://www.kreppeltaxadvisorygroup.com)

## A Message from Elliott Kreppel

As we wind down 2022, I am sure that many of you must feel that this was a very challenging and difficult year to be an investor. We have seen a breakout of a war, rising gas prices, inflation at 40-year highs, and multiple federal interest rate increases. The US economy is in a very pivotal position. Do we fall into an economic recession or do we have a soft landing that most economists hope for? The answers to these questions will be obvious throughout 2023?



However, at Kreppel Tax Advisory Group, we feel that we have been navigating our clients beautifully through these turbulent times and unsettling events. Our philosophy has not changed one bit since we opened up practice more than 20 years ago. We believe that safety of principle and taking a conservative approach is the key for a successful retirement plan. Our clients can sleep at night. Can you?

## Retired and Broke? Help Is on the Way By AARP

Beginning next month, Social Security beneficiaries will receive a whopping 8.7 percent increase in monthly checks — welcome relief for retirees fighting the ravages of inflation.

This is the largest cost-of-living adjustment (COLA) since 1981 and will add \$146 to the average retired Social Security recipient's monthly benefit, pushing it from about \$1,681 to \$1,827, says the Social Security Administration.



The agency began adjusting Social Security benefits for inflation in 1975 to ensure that the buying power of monthly checks did not evaporate as prices inevitably rose.

The amount of the adjustment is based on the difference between the average consumer price index for urban wage earners and clerical workers (CPI-W) for the third quarter (July, August, and September) from one year to the next. That's economist talk for the rise in price of select goods and services tracked by the U.S. Bureau of Labor Statistics.

These larger Social Security checks will reach millions of older Americans who have seen their cash needs grow these past few years due to levels of inflation not seen in decades. The extra money can be a critical lifeline for those on fixed incomes.

How critical? Social Security is the largest source of retirement income for most Americans, AARP research shows. It provides nearly all income for 1 in 4 seniors. The guaranteed benefit that Social Security provides is essential to their livelihood.

People collecting Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) — payments that Social Security administers for people largely unable to work — will also get the increase, as will veterans who receive disability benefits and retirement pay.

For many older adults, Social Security works in tandem with Medicare. Some years, an increase in the COLA is offset by higher Medicare costs, which come directly out of Social Security checks.

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## ....continued from page 1 **Retired and Broke?....**

But older Americans received more welcome news this year when the Centers for Medicare & Medicaid Services announced a rare decrease in Medicare Part B premiums and deductibles. AARP had called for that rollback following a decline in the price and lower usage than expected for the new Alzheimer's disease drug Aduhelm. A predicted surge in costs to cover Aduhelm accounted for about half of a large premium increase in 2022.

In addition to lower Part B premiums, parts of the Inflation Reduction Act go into effect next month. For those enrolled in Medicare Part D, most vaccines will be free and insulin copays will be capped at \$35 per month.

Ninety percent of people 50 and older who get Social Security retirement benefits, or will in the future, say they are worried their benefits may not keep up with inflation, an AARP survey found. That's why AARP is urging Congress to work in a bipartisan way to protect and strengthen Social Security.

Millions of Americans work hard throughout their lives to earn their benefits. Social Security is a promise that must not be broken. We will continue to work with both parties to protect Social Security. The stakes are too high for anything less.

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## **Why Are You Losing in This Market? (Part Two)** **By Elliott Kreppel**

There is no reason for you to be losing money in this market. I recall having said this before, in my last publication three months ago. It's funny how people forget things when there is slight optimism in the stock market. If you had read my previous article, entitled "Why are you losing money in this market?," you might have spared yourself from suffering more market losses, bad investment decisions, and a possible delay of your retirement.

The Federal Reserve is currently taking an aggressive approach to stave off inflation by raising interest rates at a very rapid pace. Failing to do so would allow inflation to run higher, causing prices to rise further and possibly driving the economy into a recession, which would be followed by lower productivity and massive layoffs. The Fed is maneuvering between a very fine balancing act of warding off inflation while preventing the economy from falling into a recession. Unfortunately, I believe it is too late for this to be accomplished. The interest rate increases have caused the stock market to take a hit, as some investors have flocked towards higher-yielding and less volatile assets. Sadly, some investors have bought into their advisors' misguided words, such as "hang on" or "things will improve." This is exactly what I warned against in my previous article a mere three months ago. Nothing has changed since then, except that your portfolios have likely declined even further.

As I have mentioned in previous communications, we have the types of accounts that can satisfy your appetite for equity exposure, but with the protection of a certificate of deposit. These are the highest rates that I have ever seen in my 27-year career, and it pleases me to know that my clients will not suffer a sleepless night because their money is 100% safe and secure. If you would like to discuss, please feel free to contact me. Thank you.

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## **When Should I Take Social Security?**

As people enter their late 50s and early 60s, they often wonder about Social Security. Many are eager to start claiming as soon as they turn 62. But these days, personal-finance experts are advising Americans to hold off on filing for benefits for as long as they can. The reason behind it? They say waiting will undeniably maximize your monthly payments. This is true, but the answer to this question can't just be answered with a simple yes or no. It's more complex than this.

Deciding whether you should start early at a lower cost or start later at a higher level comes down to your circumstances. Many factors play into determining the age at which you should receive your benefits. Here are some key things we want you to keep in mind when deciding.

### **Health**

If you and your loved ones are healthy and you have no reason to expect that to change in the next few years, waiting to take Social Security may make the most sense and help to improve your long-term financial stability. But if you've just turned 62 and already have some health concerns, it might be wise to accept your benefits earlier.

### **Employment**

How long do you expect to stay employed? While many companies these days try to push their older employees into early retirement, others are still trying to work to make ends meet. If you're struggling to get by and don't see retirement in your short-term future, chances are you'll want to take lower benefits to cover your bills.



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### **Marital Status**

If you're married, your benefits not only affect you but your spouse and any kids you may have. At today's rate, the chances of one spouse living past 90 are growing rapidly. If the highest earner of the two delays accepting benefits, your monthly payment will naturally be higher. This means more long-term stability for you and your partner. If the higher earner passes first, their spouse will have higher survivor protection.

So, when should you take Social Security? The answer lies in your financial status and personal circumstances by the time you turn 62! Waiting has long-term benefits, but it may not be feasible for every senior. Consider your concerns and if you're still unsure, seek the opinion of a professional advisor.

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### **Recipe of the Month**

## **Instant Pot Beef Stew (With A Secret Ingredient)**

**A yummy and easy winter recipe.**

### **Ingredients:**

(for a 6-Quart Instant Pot)

- 2 pounds stew meat or chuck roast, cut into 1-inch pieces
- 1 Tablespoon oil
- 2 medium russet potatoes, cut into 1-inch pieces
- 1/2 large onion, chopped
- 2 teaspoons minced garlic
- 2 stalks celery, chopped
- 2 cups carrots, chopped
- 1 cup red wine
- 2 Tablespoons Worcestershire
- 1/4 cup Chili Sauce (A Tomato-Based Chili Sauce like Heinz)
- 2-1/2 cups beef broth
- salt and pepper to taste
- 2 teaspoons Italian Seasoning
- 2 Tablespoons cornstarch
- 1/4 cup water



### **Instructions:**

(for a 6-Quart Instant Pot)

- Cut the beef into about 1-inch bite-size pieces or use pre-cut stew meat.
- Chop the potatoes, onion, carrots, and celery.
- Press the Sauté button on Instant Pot. Wait until "Hot", add oil.
- Add the stew meat, browning on each side (about 2 min per side). Don't cook it all the way through.
- Remove meat and set aside.
- Sauté chopped onion and garlic (add additional oil, if needed) Cook until the onions are translucent.
- Add wine and deglaze the pan, scraping all the brown bits from the bottom.
- Add the browned meat, potatoes, carrots, and celery to pot.
- Add the beef broth, Worcestershire, chili sauce, salt, pepper, and Italian Seasoning and give a quick stir.
- Pressure cook with high pressure for 35 minutes.
- Release the steam naturally (about 15-20 min, time will vary).
- If thicker gravy is desired, mix 2 tablespoons of cornstarch with 1/4 cup of water and stir into the beef stew while hot.

*Recipe adapted from [flavormosaic.com](http://flavormosaic.com)*



## What our clients are saying about us!



Kreppel Tax Adv has been doing my taxes for a number of years. The staff and everyone else are very friendly and helpful. It's a one stop shopping with Kreppel. One gets excellent tax advises and Kreppel explains everything in plain English. I highly recommend this group. – E. B.

Referred to this professional, prompt, and friendly tax/financial service, they did a wonderful job for me in a short and efficient amount of time! Not only did I receive returns from both state and federal, but I can also utilize their services for retirement planning. They will definitely see me again; I highly recommend them and worthy of noting is they also accommodate pricing for seniors. – C.B.



**Elliott L. Kreppel**  
President

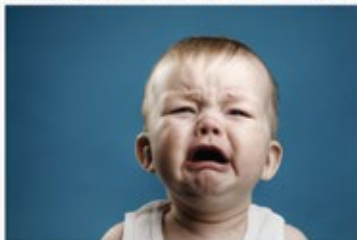


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