



Michael P. Palazzotto chapter 1264
 PO Box 514, Middle Island, NY 11953-0514
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General Meetings 1st Wednesday, (except February, July & August)
 10:00 AM at the Longwood Public Library Auditorium
 800 Middle Country Road, Middle Island, New York 11953

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APRIL 2025

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INCLEMENT WEATHER - call the Longwood Library at (631) 924-6400 to determine if the building is open or not. Our meeting is canceled if the building is closed.

CHANGE OF ADDRESS, Email or Renewals Please call NARFE Membership Services at (800) 456-8410 press 2 (Monday to Friday 8 AM to 5 PM) or by emailing memberrecords@narfe.org so you can continue to receive your NARFE Magazine and Chapter Newsletters.

Did you know that your NARFE membership ID# is on the second line of the mailing label on your monthly NARFE Magazine? It's all you need to access all your benefits on <https://www.narfe.org> <https://fedhub.narfe.org/home>

Our next meeting is scheduled for Wednesday, April 2nd at 10:00 a.m. in the Longwood Library Auditorium

Discovered in 1906 by Dr. Alois Alzheimer, Alzheimer's disease is a disorder that destroys memory and other critical brain functions. Nearly seven million Americans are living with Alzheimer's, and it is the sixth leading cause of death in the United States. It is **the only one without a cure!** Learn more about Alzheimer's from our guest speaker from the Long Island Alzheimer's Association.

Dementia is often incorrectly referred to as "senility" or "senile dementia," which reflects the formerly widespread but incorrect belief that serious mental decline is a normal part of aging. Dementia is a general term for loss of memory, language, problem-solving and other thinking abilities that are severe enough to interfere with daily life. Alzheimer's disease is the most commonly diagnosed form of dementia in older adults. Diseases grouped under the general term "dementia" are caused by abnormal brain changes. Dementia symptoms trigger a decline in thinking skills, also known as cognitive abilities, severe enough to impair daily life and independent function. They also affect behavior, feelings and relationships. Alzheimer's disease accounts for 60%-80% of the cases.

80% of research studies fail to attract enough participants. Are you ready to help change that? Alzheimer's prevention studies and trials taking place near you!

Location: Stonybrook, NY (attend study sessions in Stony Brook)

- Age: 60+
- Duration: Up to 4 hours (maximum of 2 hours per study visit)
- Visits: Up to 2 visits

Eligibility Requirements

- Fluency in English
- Normal or corrected-to-normal hearing and vision
- No history of a variety of neurological disorders known to impact cognitive functioning
- No current use of medications known to impact cognitive functioning

About the Study:

- The aim of this research study is to investigate techniques that older adults can use to benefit the performance of memory tasks into late life.
- Researchers will use a variety of computerized and paper-and-pencil tasks to determine when and how different techniques can benefit memory performance.

Purpose:

- The goal of this research is to better understand strategies and supports that may benefit the performance of memory tasks, as well as characterize individual differences in the extent of benefit obtained via the use of such strategies.

What is Involved:

- This research involves attending 1 to 2 in-person experiment session(s) at Stony Brook University. Participants will meet with a researcher from the Cognitive Aging and Memory Lab and complete a variety of computerized memory tasks and/or paper-and-pencil measures.
- Participants may be eligible to take part in multiple studies depending on interest and eligibility.
- The study does not involve medications or invasive procedures.
- **Participants will receive monetary compensation for their time.**

SIGN up for Study at:

<https://www.endalznow.org/studies/supporting-memory-in-late-life--stonybrook-ny/supporting-memory-in-late-life--stonybrook-ny>

Lump-Sum Retroactive Payment of Social Security Benefits has Tax Consequences

Many retirees may not be aware that Social Security monthly retirement benefits are potentially federal and (in some states) state taxable. Social Security beneficiaries who receive monthly benefits should be aware that federal income tax withholding from monthly benefits is an option. For federal retirees, voluntary federal income tax withholding from monthly Social Security retirement benefits may be a recommended and wise move, especially if a federal retiree is not having sufficient amount of federal income tax being withheld from other sources of retirement income, such as a CSRS or FERS annuity

or from the Thrift Savings Plan (TSP).

The recommendation for having federal income withholding from SSA benefits is even more important for those retirees who may receive a “windfall” such as the retroactive Social Security payment for 2024 due to passage of the Social Security Fairness Act, passed into law on January 5, 2025, and higher monthly benefit payments starting in 2025.

While Social Security beneficiaries certainly welcome the additional Social Security payments to be received earlier than initially projected, there are tax planning items to be considered for the year 2025, especially when it comes to federal income taxes. Here are several of those items:

1. **Additional monthly benefit subject to federal income tax.** Additional monthly benefit could result in a higher portion of Social Security benefits being subject to federal income tax. The percentage of a Social Security beneficiary’s annual benefits that is subject to federal income tax depends on the beneficiary’s annual “provisional income.” That percentage can be 0 percent, 50 percent or 85 percent. Included in “provisional income” is 50 percent of the beneficiary’s monthly Social Security retirement benefit received during the year. A beneficiary who, as a result of the SSFA passage, receives a lump-sum retroactive payment for 2024 and a higher monthly benefit in 2025, will likely have a greater portion of their Social Security benefits subject to federal income taxes during 2025.

2. **Widow(er)’s tax penalty.** A widow(er)’s tax penalty can occur when a widow or a widower shifts from a married joint filing status in one year to a single filing status in the year following the death of a spouse. For example, a spouse who died anytime during 2024 could result in the increase of the surviving spouse’s income tax liability in 2025 when the surviving spouse must file as single. Widow(er)s are also likely to receive the largest retroactive lump-sum benefit payment and monthly benefit increase because when the GPO was in effect, the GPO may have completely eliminated the surviving spouse’s prior monthly spousal benefit.

3. **Federal income tax implications.** Many Social Security beneficiaries may be especially worried about receiving substantial lump-sum payment of benefits going back to January 2024, and how it will affect their 2025 federal income tax liability. The

average lump-sum retroactive payment is \$6,725. A substantial lump-sum refund payment could push a Social Security beneficiary into a higher federal marginal tax bracket.

4. **Effect on “stealth” taxes.** Lump-sum retroactive benefit payments received in 2025 could affect “stealth” taxes that occur when income increases. For example, the “net investment income tax” (equal to 3.8%) is imposed on an individual’s investment income (interest, dividends, and capital gains) when the individual’s adjusted gross income exceeds \$250,000. Another example is Medicare Part B and Medicare Part D monthly premiums. Higher adjusted gross income in 2025 could result in higher monthly premiums for Medicare Parts B and D premiums in 2027.

IRS on SSA Back Payments

QUESTION: SSA 2024 back payments

I received Social Security benefits this year that were back benefits for prior years. Do I amend my returns for those prior years? Are the back benefits paid in this year for past years taxable this year?

IRS ANSWER - You can't amend returns for prior years to reflect Social Security benefits received in a single lump-sum in the current year. You must include the taxable part of a lump-sum payment of benefits received in the current year (reported to you on Form SSA-1099, Social Security Benefit Statement) in your current year's income, even if the payment includes benefits for an earlier year.

However, there are two ways to determine the amount of income to include:

- You can use your current year's income to figure the taxable part of the total benefits received in the current year; or
- You may make an election to figure the taxable part of a lump-sum payment for an earlier year separately, using your income for the earlier year.

You can select the lump-sum election method (by checking the box on line 6c of your Form 1040 or 1040-SR) if it lowers the taxable portion of your benefits:

- Under this method, you refigure the taxable part of all your benefits (including the lump-sum payment) for the earlier year using that year’s income.

- Then you subtract any taxable benefits for that year that you previously reported.
- The remainder is the taxable part of the lump-sum payment. Add it to the taxable part of your benefits for the current year (figured without the lump-sum payment for the earlier year).

Worksheets in Publication 915, Social Security and Equivalent Railroad Retirement Benefits (<https://www.irs.gov/forms-pubs/about-publication-915>) can help you calculate the taxable portion using this method.

SOURCE: <https://www.irs.gov/faqs/social-security-income/back-payments/back-payments>

What is the Medicare Prescription Drug Program? It is part of the Inflation Reduction Act of 2022 to lower prescription drug costs. FEHB plans decided the Medicare Prescription Drug Program (MPDP) provides additional benefits without an additional base cost (for most), so the assumption is that it will be a better deal for most people, and NARFE agrees. So, the default of whether to be in or out is set based on that assessment. But it’s not a one-size-fits-all approach. It depends primarily on if it helps with your prescription drug needs and cost. Many will find they don’t need the extra drug coverage and/or costs and will choose to opt-out. This new offering will work well for some members, especially for specialty drugs.

1. There is no penalty for delaying applying for Part D as your FEHB coverage is considered creditable. There is no charge to have the new Medicare Prescription Drug Program under BCBS (or any other FEHB plan offering this benefit). However, there may be a Part D IRMAA surcharge.

2. You can opt-out at any-time the BCBS FEP website says:

- a) If you miss the opt-out deadline in the letter:
 - b) You can tell us at any point that you want the regular FEP prescription drug benefits instead of MPDP.
 - c) If it’s before January 1, 2024, you can call us at 1-888-338-7737 (TTY: 711).
 - d) Before or after January 1, you can also contact Medicare at 1-800-MEDICARE (1-800-633-4227) or mail us at: FEP Medicare Prescription Drug Program, PO Box 3539, Scranton, PA 18505.
- If you decide to opt out or dis-enroll, you can re-enroll during Open Season in a future year.

Message from Chapter President



I logged into the NARFE website, a task I frequently do, and was thrilled to discover my name featured in a NARFE news article as one of the NARFE Superstars leading the way in the success of the 2024 Fall Recruitment Drive.

<https://www.narfe.org/blog/author/msandersonnarfe-org/> Posted March 28, 2025).

Also, a quick reminder: Our NARFE Chapter meeting on May 7th will feature Katherine Martin from KGM Wealth Management.

Joanne Smith

Joanne Smith

Attachments