

# THE JKA REPORT

AN INVESTMENT NEWSLETTER FOR CLIENTS & PROSPECTS



## Social Security increases benefits by 3.2% for 2024

### RETIREMENT & LONGEVITY

*The 2024 Social Security cost-of-living adjustment (COLA) has been announced.*

The Social Security Administration has announced a cost-of-living adjustment (COLA) to recipients' monthly Social Security and Supplemental Security Income benefits. More than 65 million Americans will see the 3.2% increase in their payments beginning in January 2024.

The increase - significantly lower than last year's 8.79% COLA which was the largest since the 11.2% adjustment in 1981 - is tied to the consumer price index for urban wage earners and clerical workers and was put in place to ensure the purchasing power of these benefits isn't eroded by inflation. The increase of 3.2% is designed to provide benefit recipients with a COLA commensurate with overall inflation. The increase amount for 2024 is far lower than 2023's 8.7% or 2022's 5.9%, but still provides recipients with a nice "raise" in the next year.

According to the Social Security Administration, on average, retired workers currently collect \$1,840.27 per month in Social Security payments, or roughly \$22,083.24 per year. The 3.2% COLA will add about \$58.88 per month to those payments or \$706.66 for the year.

Sources: vox.com; theatlantic.com; compassionandchoices.org; Centers for Disease Control and Prevention; Health Affairs; nytimes.com; time.com The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Jerry K. Ask and not necessarily those of Raymond James.

## Make your files findable when you leave them to your heirs

### ESTATE & GIVING

Living life and facing death can be liberating - and it doesn't have to be hard.

Depending on the source, about half of Americans know they should have a will but don't. And a National Library of Medicine study found that in 2017 only a third of us had completed end-of-life forms that outline our wishes for comfort and care during that final transition. Not surprising, maybe, since the process can be confusing and perhaps distressing when considering our own mortality. What may be surprising is the fact that the unpredictable pandemic may have shifted Americans' attitudes toward codifying our wishes in a very practical sense.

### The why

It seems, despite living through a once-in-a-century pandemic, our interest in actually completing the task still wavers. However, top of the list of benefits is peace of mind - saving cost, time and heartache. Doing the

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work to have everything in place means medical professionals will be guided by your voice, your loved ones won't have to bear the burden of guessing what you would want, and you'll know that your heirs will receive the accounts and assets that you intended for them. It may not make it easier to say goodbye but should make the aftermath a lot easier. Another beautiful potential benefit, perhaps even the most important one? Quelling the potential for intra-family strife during an already stressful time. Proper planning could help protect sibling and family relationships, which can get ugly when it comes to medical and financial matters. Experts recommend making your wishes clear and communicating them well before your passing, particularly if you're part of a blended family.

**The what**

You'll want to put some strong safeguards in place. Ask your medical and financial professionals if you need any or all of these documents. Don't be intimidated. You don't have to codify everything at once, and many are fairly straightforward. The more emotional tasks like writing letters of love or an ethical will, which outlines your values, may actually be the hardest.

**Financial power of attorney.** Durable powers of attorney give someone permission to make decisions on your behalf - anything from communicating with your cable company to dealing with banking, real estate, business and legal matters.

**POLST forms** outline physician orders for life-sustaining treatment for those with serious conditions, indicating things like whether you'd like CPR, mechanical ventilation, feeding tubes or ICU treatment.

**Medical power of attorney.** Sometimes called a living will or advanced directive, this outlines medical treatments you want and those you don't and authorizes a proxy to make decisions for you.

**A last will and testament.**

**Beneficiary forms.** For insurance policies, retirement accounts and some other assets, the beneficiary form prevails over the will.

**A declaration of guardian** appoints someone to look after your minor children.

**A trust.** In many states, a living trust can be used to transfer assets and personal property in an orderly and more private manner than a will and can even stipulate special provisions such as age-based distribution so young adults don't inherit all at once.

**The where and how**

If you need help getting started, first get organized.

Discover what you already have. For example, you may already have a healthcare proxy. From there, make an appointment with an attorney who specializes in estate or elder care law to review what you have and help

you fill any gaps. Include your financial advisor to ensure you've made a plan for all relevant assets.

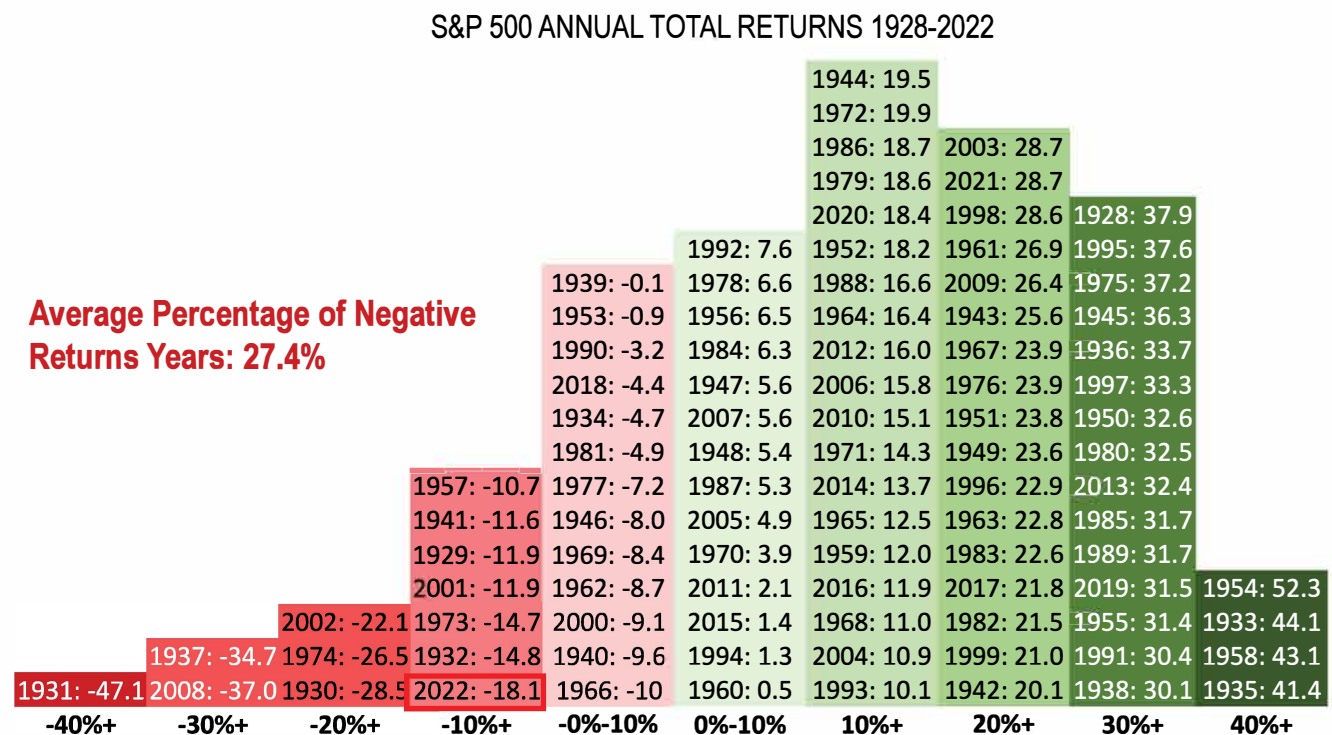
You may want to also make an advanced care planning appointment with your doctor. Often this can be done remotely (two 30-minute appointments are covered by Medicare, as is advanced planning for a cognitively impaired patient). Be sure to ask so you'll know what your financial liability may be.

Once gathered, store all relevant paperwork in one place. Some prefer a binder in a safe deposit box, but another secure way may be an online vault that allows you to grant differing levels of access to those you trust most. Just make sure your family members and righthand professionals know where to find these important documents and how to access them.

**The who**

Last, but certainly not least, make time to share your decisions with those they'll affect. Talk to your loved ones about your healthcare and financial plans and preferences, where important documents live and how to access them. Your advisor can help you set up regular family meetings to address who inherits what and why, as well as other details. Of course, the most important thing is to take the time to tell your family just how much you love them.

**S&P 500 INDEX HISTORICAL RETURNS: POSITIVE VS. NEGATIVE YEARS**



Source: Bloomberg. Total returns for the S&P 500 Index from 1928 through 2022. Past performance is no guarantee of future results. This example is for illustrative purposes and does not represent any actual investment. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.