

PRISM PLANNING & SOLUTIONS GROUP, LLC

UNDERSTANDING RECENT CHANGES TO SOCIAL SECURITY BENEFITS NEWSLETTER



FROM YOUR ADVISOR

As we turn the page on 2024, let's take a 30,000-foot view of markets and the economy. By traditional measures, the economy appears robust. Inflation continues to cool, unemployment remains low, and wages are growing. The stock market is reaching levels not seen since 2000, while the bond market signals stability ahead.

However, these positive indicators don't tell the whole story. The gap between the financial security of the top 10% of Americans and everyone else has reached its widest point in 40 years. This disparity helps explain why many Americans remain deeply pessimistic about the economy despite encouraging headlines. History shows us that extended periods of economic stress and inequality often lead voters to seek dramatic changes in leadership, sometimes turning to unconventional or untested candidates who promise to upend the status quo. When people feel the current system isn't working for them or their families, they become more willing to support significant changes, even if these choices carry their own risks.

Looking ahead to 2025, interest rates will likely dominate financial headlines. With mortgage rates settling above 6%, we're seeing a shift in the housing market as buyers adjust their expectations. This new reality may actually lead to increased housing inventory as more homeowners accept that the era of ultra-low rates has ended. As your advisor, I'm closely monitoring these trends and their potential impact on your financial goals, always ready to adjust strategies as market conditions evolve.

You can see a more in-depth discussion of my final thoughts for 2024 on our [YOUTUBE CHANEL HERE](#).

LAST MINUTE LEGISLATION - AGAIN

In a last-minute move, Congress passed The Social Security Fairness Act of 2023, marking another year of late-breaking retirement legislation. Once signed into law, this act will eliminate two controversial provisions: the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO), which affected over 2 million Social Security beneficiaries in 2022.

UPCOMING EVENTS

We look forward to sharing exciting events and updates with you soon!

In the meantime, we invite you to follow us on social media for the latest information.



Feel free to check out our previous events and trending topics on our [WEBSITE](#).

Stay tuned and thank you for being a part of our journey!



LAST MINUTE LEGISLATION - AGAIN

These provisions previously reduced Social Security benefits for individuals and couples where one person receives a pension from "non-covered" employment - typically state and local government workers like teachers and first responders who didn't pay into Social Security. The changes are retroactive to January 2024, though implementation details are still developing.

Want to learn more? Visit my website for detailed explanations of [WEP](#) and [GPO](#) or read my [IN-DEPTH DISCUSSION](#) of the new legislation. If you're wondering how these changes might affect your retirement planning, [CLICK HERE](#) to schedule time to discuss your specific situation.

"ALL THINGS IRA CORNER"

The new "super catch-up" contributions for workers 60 - 63

Almost every year, the limits for employee contributions to 401(k) and 403(b) plans go up based on inflation. In 2024, the limit for regular contributions was \$23,000 per person, and in 2025 it is \$23,500 (per person, NOT per plan.)

Those aged 50 and older may also contribute an additional "catch-up" contribution of \$7500 (this did not change for 2025.)

SECURE 2.0 has now added a "super catch-up" for those who will be 60 – 63 at the end of 2025 – their "catch-up" limit is \$11,250, allowing them to save an additional \$3750 in their 401(k) and 403(b) accounts.

If you are eligible for this "super catch-up" you're eligible to save \$34,750 in 2025, so if you're looking for ways to increase your retirement savings, check with your employer plan to make sure you take advantage of this new "super catch-up" contribution limit.

For more information about the 2025 limits for different types of retirement plans, consider speaking with a member of Ed Slott's Master Elite Advisor GroupSM. Click [HERE](#) to schedule a 15-minute conversation with Julia.

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Julia Peloso-Barnes, CFP® is a member of Ed Slott's Master Elite IRA Advisor Group™. For more information on anything mentioned in the "All Things IRA" Corner please email Julia at Julia@PPSgrp.com or schedule a call/zoom [HERE](#).

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KEY POINTS

- WEP and GPO provisions have reduced Social Security benefits for public servants with non-covered pensions since 1983.
- Over 2 million beneficiaries were affected in 2022, including teachers, firefighters, and police officers.
- Changes are retroactive to January 2024, with implementation details still to come.
- Retirees with public sector pensions may see increases in their monthly Social Security benefits once implemented.



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