

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

provisions under the Inflation Reduction Act.

Mar. 12, 2024



President Joe Biden speaks at an event in Goffstown, NH. (Nancy Lane/Boston Herald/TNS)

By Keerthi Vedantam, Kiplinger Consumer News Service (TNS)

Among President Joe Biden's requests in his newly released 2025 fiscal year budget are calls for strengthening and protecting Medicare and Social Security, moves previewed in his State of the Union address last week and ones that help to kick off his re-election campaign.

The \$7.3 trillion budget proposal, issued March 11, covers a broad range of priorities

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

“Millions of Americans have been working their whole lives, paying into Social Security and Medicare with every working day, and want to know that they can count on these programs to be there when they need them,” the White House said in a statement on the budget.

The Social Security Administration’s (SSA) trust fund reserves—which supplement the program’s income largely from payroll taxes—help SSA pay full benefits. But these reserves face a long-term shortfall that, if Congress does not act to shore up the funding, will result in about a 20% cut in benefits to beneficiaries in 2034. Some lawmakers have called for cuts to the SSA program.

Under the budget proposal, the administration says it will work with Congress to strengthen Social Security without cutting benefits, extend its solvency by asking high-income taxpayers to pay their “fair share,” and improve financial security for seniors and people with disabilities.

The budget proposes an increase of \$1.3 billion in the SSA to hire more customer service staff, invest in IT to process disability claims faster and make phone services more accessible to seniors.

The proposal seeks to extend the life of the Medicare Hospital Insurance (HI) Trust Fund permanently by increasing the Medicare tax rate on income above \$400,000, closing what the administration says are loopholes in existing Medicare taxes, and directing revenue from the net investment income tax into the HI trust fund “as was originally intended.”

Inflation Reduction Act expansions

Other reforms called for in the proposal include an expansion of certain drug provisions under the Inflation Reduction Act. These include the Medicare drug

pricing negotiation program, which would be expanded to include more drugs soon

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

For a copy of the 188-page budget, visit the [whitehouse.gov](https://www.whitehouse.gov) site.

All contents copyright 2024 The Kiplinger Washington Editors Inc. Distributed by Tribune Content Agency LLC.

Benefits • Human Resources • Payroll • Small Business

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved