

Soil Bank Payments In Relation To Social Security Cited By Ramsey

A number of inquiries have been made by farmers as to whether payments made to farmers under the Acreage Reserve and Conservation Reserve Programs will be subject to self-employment tax and thus count toward income used in computing Social Security benefits.

In answer to these inquiries on this subject the Assistant Director of the Bureau of Old-Age and Survivors Insurance recently supplied the USDA with the following information, according to Ralph W. Ramsey, County ASC office manager.

"The following are examples of several types of situations illustrating when soil bank payments count, either for social security benefit purposes or for purpose of the retirement test. These examples are applicable both to the acreage reserve and conservation reserve programs, as well as for farms placed in the soil bank under the new "bid" procedure. The type of practice selected by the farmer, that is, whether he elects to establish grass cover, or to plant trees, or to plant cover beneficial to wildlife is not material in deciding whether the payments count for social security benefit purposes. The activities of the farmer in establishing and maintaining any of these practices is, of course, considered in determining whether or not he is rendering substantial services in any given month.

Question 1. I operate my own farm but want to put part of it in the conservation reserve program. Can the annual payment I receive under my contract count toward social security credit?

Answer. Yes. Conservation reserve payment received by the operator of the farm count for social security purposes.

Q. Will it make any difference if I put all of my farm in the conservation reserve program or only part of it?

A. No. If you are the operator of the farm placed in the conser-

vation reserve, the program payment you receive counts for social security whether all or only part of the farm is put in the conservation reserve.

Q. My farm was leased to a tenant last year, but he doesn't want to renew the lease. If I put the whole farm in the conservation reserve program for 5 to 10 years, will my annual payments count toward social security?

A. When your tenant leaves the farm, you, in effect, become the operator. Therefore, your payments will count for social security.

Q. My farm has been operated by a tenant. I have been materially participating in its operation in accordance with the rental agreement and my rental income has been counted toward my social security credit. I am now placing my whole farm in the conservation reserve program and sharing my annual payment with my tenant. The tenant keeps the building and fences in repair and keeps down noxious weeds under the provisions of the contract. I make a periodic inspection to see if contract provisions are carried out. Can my share of the conservation reserve payments be counted toward social security credits?

A. The agreement between you and your tenant at the time your farm was placed in the conservation reserve provided for your material participation. Therefore, the conservation reserve payments you receive during the period of this rental agreement will count for social security.

Q. I am now receiving social security benefits. My farm has been accepted under the conservation reserve "bid" procedure at an annual payment for 10 years of \$3,000. I selected the tree planting practice and hired the trees planted and maintained. Although I live on the farm, I can use my land and building only for the production of livestock, poultry, and a garden, all for home

use. I am not permitted to raise any commercial crop or livestock. The only work I will do is to tell the man I hire where to plant the trees and to care for my garden, livestock and poultry. It will only take 4 or 5 hours of my time during the year to give the orders about the trees. Will the conservation reserve payments affect the receipt of my social security benefits?

A. Your annual payment of \$3,000 must be considered in determining the amount of your earnings for social security retirement test purposes. However, even though your earnings exceed \$1200, you will not lose any social security checks because you will not, under the circumstances described, be rendering substantial services in any month. The services rendered in the care of a garden or livestock and poultry kept only for home consumption are not services performed in carrying on a business. Directing the planting of the trees is an activity performed in connection with the business. However, as only 4 or 5 hours are spent in this activity, the services would not be considered substantial.

Q. I am now receiving social security benefits. I placed my whole farm in the conservation reserve for a 10-year period and I established a permanent vegetative cover for soil protection. I arranged with a neighbor to keep down noxious weeds and maintain the practice as required by my conservation reserve contract. I moved into town. Will my conservation reserve payments be counted in determining my yearly earnings under the retirement test?

A. Yes. The conservation reserve payments must be counted in determining the amount of your earnings. If you personally planted the cover crop you probably rendered substantial services in the months in which the crop was planted. However, under the plan described above, you will probably not be rendering substantial services after the cover crop is established.

Q. My farm has been accepted under the conservation reserve "bid" procedure at an annual payment for 10 years of \$3,000. I selected the practice to establish a permanent vegetative cover for soil protection. I expect to establish and maintain this permanent vegetative cover myself. I live on my farm and can produce livestock, poultry and garden for home use only. I am now receiving social security benefits. Will the conservation reserve payment for taking my entire farm out of production affect my social security benefits?

A. You will lose your social security benefit each month in which you render substantial services. The time you spend in establishing and maintaining cover crops and the time spent in controlling noxious weeds, as well as any services rendered in any other business, is considered in deciding whether your services are substantial. The time spent working on your gardening and caring for livestock and poultry for home use will not count.

\$7100 FOR EVERY FAMILY BY 1975 IS CED'S PREDICTION OF U.S. GROWTH High Incomes Can Be Achieved Only by Wise Handling of Major Economic Issues, Committee Warns

WASHINGTON—By 1975, the average income of American families, after payment of all taxes, should be at least \$7,100, as compared with a present average disposable income of \$5,300 per family, the Committee for Economic Development predicted.

"Achievement of this high average income is not an imagined utopia, it is a practical goal for practical men," CED's Research and Policy Committee declared in releasing the results of a study by a subcommittee of businessmen and economists headed by Harry Scherman, chairman of the board of the Book-of-the-Month Club, Inc., of New York.

Entitled "Economic Growth in the United States—Its Past and Future," the statement called for "unending vigilance" by both individuals and government to assure that the most is made of the nation's growth-producing potential. It stressed improvement of public education, continuous investment in enterprise, increased private savings, mobility of both labor and capital, efficient management of business and of government, and using foreign trade as among the essentials for growth.

"Only if we manage our economic affairs with intelligence can we expect such a 'good life' on the material side, shared

It's also to have relatives over occasionally... In fact, it's usually the best way.

A man is getting along the road to wisdom when he begins to realize that his opinion is just an opinion.



among the entire population," the statement asserted. Our growth will depend mainly, it stressed, "on millions of daily private decisions."

"The initiative and wisdom shown in the conduct of every business enterprise, large or small, and in the actions of every individual in pursuit of his welfare, will add up to the grand result and be the principal determinant of the outcome," the report declared.

Pointing out that future economic growth also will be affected "to a very large extent by the policies and activities of government," the Committee declared "we must be more concerned than ever about two controlling matters: first, the need of attracting competent individuals into government service; and second, to broaden and clarify public understanding of governmental matters."

Continued growth is the more important today, the statement said, because of competition by the Communist bloc.

CED is composed of 150 business executives and scholars who conduct research and develop recommendations for promoting national economic development. Its Research and Policy Committee is headed by Frazar B. Wilde, president of the Connecticut General Life Insurance Company, Hartford, Conn.



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Hot Springs News

REV. JIMMIE ROGERS, Correspondent

Hot Springs Boys Win 1st Game In Tourney

Hot Springs boys won the first game of the tournament by downing Laurel, 55-37, in a fast moving game that was well played by both teams. Leading scorers for Hot Springs were Sidney Harrison with 23 and J. Harrison with 17.

Reeves-Burgess Vows Are Spoken

Dean Harold Reeves of Hot Springs and Velma Lee Burgess were united in holy matrimony in the Hot Springs Methodist Church March 1, 1958. The reception was given in the church dining hall for friends afterwards. Mrs. Joy P. Gayer gave a short organ solo before the ceremony, which was conducted by the Rev. Joseph Wakefield.

Co. Agent Shows Film At Sleepy Valley Meet

The Sleepy Valley meeting will be held in the Fairview Methodist Church at 7:30 p. m. on March 6. A film will be shown by the county farm agent. Refreshments will be served and a door prize given.

HD Club Met Feb. 27 With Mrs. Swann

The home demonstration club met in the home of Mrs. W. C. Swann Feb. 27. Mrs. Swann, the newly elected president, presided over the meeting. Devotions were given by Mrs. Jimmie Rogers. Mrs. Janie Ramsey, assisted by Mrs. Edsel Buckner, gave a rewarding program entitled "The importance of making a will," and a brief in refinishing of old picture frames.

WMU Observing Week Of Prayer

W. M. U. will be observing the

Home Missions Week of Prayer March 2 through March 8. The regular monthly meeting will be held on Friday night at the home of Mrs. W. L. Collins.

Sewing Club To Meet With Mrs. Sumerel

The Stitch-and-Chat Sewing Club will meet Wednesday afternoon, March 12 in the home of Mrs. E. B. Sumerel.

Friendship Club To Meet With Mrs. Gorenflo

The Friendship Club will meet at the home of Mrs. John Gorenflo March 11. Mrs. Bill Ferguson will be assistant hostess.

Around Town

Mrs. Eva Norris has been on the sick list.

Nancy Lippard was visiting on the evening of March 3 in Hot Springs.

Over the week-end Mr. and Mrs. Troy Harrison had as their guests Mr. and Mrs. Williamson and son, Johnny of Waynesville; and Mr. and Mrs. Charles Foster and son, Jeffrey, of Bluff City, Tenn. The Fosters visited with Mr. and Mrs. Foster also.

Mrs. Jacey Maney, the mother-in-law of Bud Ramsey, returned to her home in Hot Springs after spending the winter with Mr. and Mrs. Hise, daughter and son-in-law of Mrs. Maney, in Washington, D. C.

Mr. and Mrs. Jim Raleigh, son, Dan Raleigh, is home from overseas on furlough.

Johnny Lawson, a Marine stationed in Quantico, Va., visited his parents, Mr. and Mrs. P. C. Lawson, over the week-end of March 1.

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WHO KNOWS?

1. What is an "Indenture"?
2. Name the capital of Connecticut.
3. Who is the author of "See Here, Private Hargrove"?
4. Who was the founder of the Franciscan order of monks?
5. Identify: Jean Valjean.
6. What was Moses' father-in-law's name?
7. What is mildew?
8. Where are the three smallest bones in the body located?
9. Does air have weight?
10. When was the first trans-continental telegraph line completed in the U. S.?

Answers To Above

1. A sealed agreement between two or more parties.
2. Hartford.
3. Marion Hargrove.
4. Francis of Assisi.
5. He was the hero of Victor Hugo's "Les Miserables."
6. Jethro.
7. A vegetable fungus.
8. In the ear.
9. Yes.
10. On October 24, 1861.

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