

# Social Security Questions-Answers

By D.C. Nichols  
Field Representative  
Q. About the raise in our  
Social Security benefits from

the new law signed by Presi-  
dent Nixon -- what does it  
amount to, when are we sup-  
posed to have it, and do we

need to do anything to get it?  
A. Answering your last  
question first--you do not need  
to apply for the increase or take  
any other action to get it. The  
whole process will be automa-  
tic, and the raise will come  
to every beneficiary automati-  
cally.

It's a 15 per cent across-the-  
board monthly benefit increase.

The average retirement  
check of \$100 a month will be  
raised to \$116. A couple 65  
or older receiving the average  
couple's monthly benefit of  
\$170 will have their benefit  
increased to \$196. The aver-  
age benefit for a family made  
up of a disabled worker, his  
wife and one or more children  
will be up from \$237 to \$273.  
And average payments for a  
widow and two or more child-  
ren will rise from \$254 to \$292.

The first regular check in  
the new amount should arrive

April 3, the scheduled day for  
delivery of benefit checks for  
the month of March. And a  
separate check in the amount  
of the benefit increase for the  
months of January and February  
will reach beneficiaries later  
in April, probably during the  
week of April 20.

Refiguring the benefit amts.  
of over 25 million men, women  
and children now on the bene-  
fit rolls is a tremendous job and  
it must be done without disrupt-  
ing the regular benefit payment  
cycle. Incidentally, one of  
every eight Americans is now  
receiving social security checks.

At the end of December the  
monthly checks totalled \$2.2  
billion; and as the 15 per cent  
benefit increase becomes ef-  
fective the monthly total will  
rise to \$2.5 billion.

By the way, since actuari-  
al calculations show that the  
present surplus in the trust funds

is sufficient to finance the 15  
per cent increase in benefits,  
it was not necessary to raise  
the social security taxes or the  
taxable earnings base.

Q. I remarried and used  
my new name on my last Me-  
dicare claim, which then was  
turned down. How can I col-  
lect on the claim?

A. Have the Social Securi-  
ty office change the records to  
show your new, married name.  
Then presumably your Medi-  
care claim can be paid.

## Tax Break For Self- Employed

Some 35,600 self-employed  
persons in North Carolina with  
incomes in the \$10,000 to  
\$13,000 range can enjoy tax  
savings of up to \$457 a year by  
taking advantage of a little  
known tax law.

The \$457 savings would ap-  
ply for a single taxpayer taking  
the standard ten percent deduc-  
tion under other provisions of  
Internal Revenue.

With Christmas holidays now  
over and federal income tax  
time approaching, people  
should be considering benefits  
available under the Keogh Act  
or HR-10 as it is sometimes re-  
ferred to.

This law permits the self-  
employed, regardless of income,  
to set aside up to ten percent of  
income earned or \$2500, which  
ever is less, for retirement and  
to deduct it from gross income  
for income tax purposes.

Assume a male at age 40,  
earning \$10,000 to \$13,000,  
wishes to save \$1000 of his  
gross income annually for re-  
tirement. His net contribution  
or saving after taxes would be  
only \$700. His cash accumu-  
lation at age 65 would be \$42,  
225 as opposed to an accumu-  
lation of \$25,559 under a re-  
tirement annuity plan without  
HR 10 benefits.

HR-10 experts at John Han-  
cock Life Insurance Company  
point out that these figures in-  
volving accumulated dividends  
or life incomes are illustrations  
based on current experience and  
are not necessarily guaranteed  
in every case.

The Hancock experience in-  
dicates that the people who use  
HR-10 benefits most often are  
construction trades people who  
have an average annual salary  
of around \$14,000. Another  
category of self-employed that  
seems most willing to use this  
benefit is that of small business  
proprietors and managers. This  
includes grocery and other store  
owners. A third group is com-  
posed of those who provide per-  
sonal services, such as cleaners,  
barbers and hairdressers.

People mistakenly assume  
that only those in high income  
brackets benefit from tax breaks.  
They fail to recognize the same  
opportunity is available to self-  
employed with more modest in-  
comes.

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## FHA Makes Long-Term, Low Interest Farm Loans

The Farmers Home Adminis-  
tration makes operating loans  
accompanied by technical ma-  
nagement assistance to opera-  
tors of not larger than family  
farms primarily to assist them  
in making adjustments and  
improvements in their farm  
and home operations necessary  
for successful farming - buy  
livestock and equipment, pay  
operating expense, and refin-  
ance debts. Operating loans  
may be used for such items as  
to buy cattle, other livestock,

tractors; sprayers, other farm  
equipment; food freezers, other  
home equipment; fencing; to  
make minor improvements to  
buildings and land; and to de-  
velop water supply systems for  
home use, livestock and irri-  
gation.

These loans may also be used  
to pay for farm and home opera-  
ting expenses; to finance re-  
creational enterprises and to  
pay the expenses related to  
operating such recreation en-  
terprises as fishing, horseback  
riding, camping, hunting and  
picnic grounds.

Loan funds are used to pay  
for only those items essential  
to the success of the proposed  
operations.

Operating loans are made  
only to farmers who are unable  
to obtain the credit they need  
from other sources at reason-  
able rates and terms.

The interest rate is 6-5/8 per  
cent per year on the unpaid  
principal, and is scheduled for  
repayment within a period con-  
sistent with the borrower's an-  
nual ability to repay. Funds  
loaned for productive livestock  
and for real estate improve-  
ments may be scheduled for  
payment over periods up to 7  
years.

The County Committee of  
the Farmers Home Administra-  
tion determines the eligibility  
of applicants. The Yancey  
County Committee is composed  
of Wilkie F. Randolph, M. Hol-  
lis Honeycutt, and Mrs. Virgi-  
nia W. Boone.

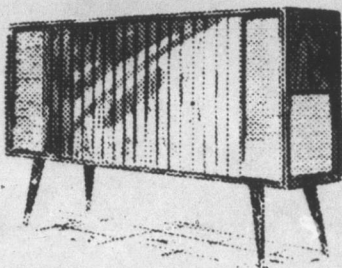
Each loan will be adequate-  
ly secured to protect the inter-  
ests of the Government. Se-  
curity will usually consist of a  
first mortgage on crops to be  
produced, as well as on live-  
stock and equipment purchased  
or refinanced with loan funds.

Interested farmers should  
apply at the local office of the  
Farmers Home Administration,  
Burnsville, N.C., which is  
open Monday through Friday,  
8 a. m. until 5 p. m.

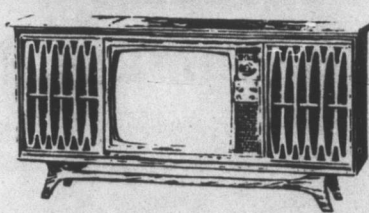
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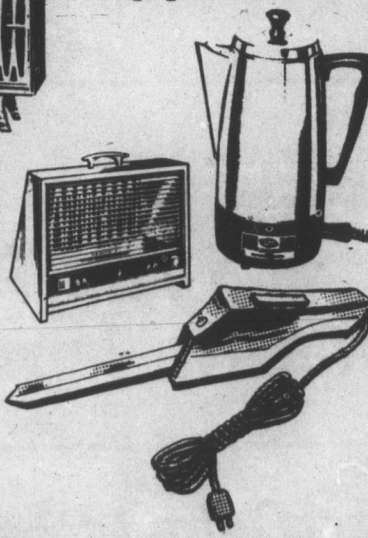
**Stereos**



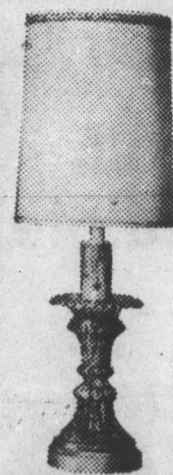
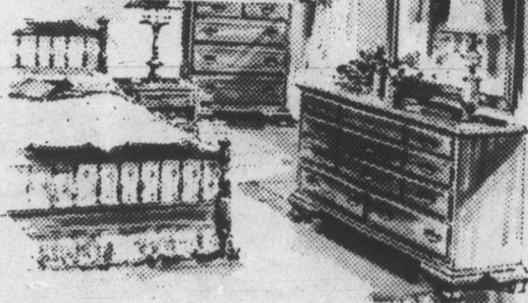
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