



# COLUMBIA VOYAGER

<http://www.TriCitiesMOAA.org>

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## October 2016

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### October meeting: Port of Benton

The speaker at the October meeting will be Scott Keller, Executive Director of the Port of Benton. Scott's tenure at the Port of Benton began as the Assistant Executive Director/Airport Director in 1989. After thirteen years, he was appointed to the Executive Director position. Scott is responsible for assets of approximately \$60 million, including over 2000 acres of land, fifty buildings, two airports, a barge facility, a short line railroad, a park and a staff of twenty-one.

He completed the Professional Port Manager certification program through the American Association of Port Authorities. The primary mission of the Port of Benton is economic development.

Scott's professional experience includes working as a mortgage loan officer at a commercial lending bank and working in the real estate and insurance industries. He has a Bachelor of Science degree in economics from Rocky Mountain College in Billings, Montana.

Scott is involved in many civic organizations including: Tri-Cities Visitor & Convention Bureau, Tri-Cities Research District, the Tri-Cities and Prosser Chambers of Commerce.

Professional memberships include: the American Association of Port Authorities, Washington

Public Ports Association, Washington Airport Managers Association, Pacific Northwest Waterways Association, TRIDEC, Prosser Economic Development Association and Richland Rotary Club.

The meeting will be Tuesday, October 18, at the Country Gentleman. They promised us the big room this time. Reservations to Bob Allen by noon Friday, October 14.

### HQ MOAA sends . . .

Col. Steve Strobbridge, USAF (Ret)  
Vice President, Government Relations

For decades, we've heard ominous statements from various quarters that the Social Security program will go broke at some future point. The latest report from Social Security actuaries says the Social Security trust fund will be exhausted as of 2034.

Periodically, there have been various proposals to "save" Social Security, ranging from changing the COLA calculation to letting taxpayers shift part of their Social Security taxes into personal stock market accounts. Most of these proposals have gone nowhere, as legislators have feared a backlash from angry seniors. There's a reason Social Security has been viewed on Capitol Hill as the third rail of politics — "touch it, and you die." On the other hand, a 2015 survey found 30 percent of Americans under age 50 believe Social Security

won't be there for them when they retire.

So what's the reality?

Social Security isn't going to disappear in 2034 or on any other date. Exhausting the trust fund doesn't mean the end of the program; it means benefits paid couldn't exceed payroll taxes collected after that date. There wouldn't be any fund left to make up the difference.

The fact is, Social Security benefit payouts have exceeded payroll taxes collected since 2010. But the trust fund — currently about \$2.8 trillion— still is growing, largely because the interest (the fund is invested in Treasury bonds) makes up the difference.

In about 2020, that balance is expected to tip. From then on, payouts will exceed total revenue (payroll taxes, plus interest, plus income taxes paid on Social Security benefits by higher-income recipients), and the size of the trust fund will drop until it's exhausted 14 years later.

Why is this happening? There are three main reasons. First, the baby boomer generation started collecting Social Security several years ago, so payments to that large generation are escalating rapidly. Second, people are living longer — much longer — than program designers anticipated. Third, lower

birth rates in recent decades mean fewer people are in the workforce paying payroll taxes.

That's important because today's workers are paying most of today's retirees' Social Security checks. If you're Social Security-eligible, you have an account that shows your earnings history and the benefits you're entitled to receive. But the taxes you paid went to pay benefits to a previous generation, and your benefits today are funded mostly by current workers' payroll taxes.

Even in the worst case — if Congress doesn't act sooner to sustain the trust fund beyond 2034 — Social Security won't go away when the fund is exhausted. But benefits would have to be cut by about 25 percent — for everybody — at that point to keep them within the expected payroll tax receipts. Alternatively, payroll taxes could be raised another 2.7 percentage points to cover current benefits. That would be a 43-percent increase in the current 6.2-percent payroll tax rate.

But odds are neither of those extremes will happen. Almost certainly, some kind of compromise will tamp down future benefit growth, raise more tax revenue, or (most likely) provide a combination of both.

Options discussed for curbing future benefit growth include:

- raising the eligibility age to receive benefits by one to three years;
- implementing some modification of the annual COLA formula;
- going to a biennial COLA instead of an annual one; and
- tweaking the benefit formula or wage base history.

Options to raise revenue include:

- raising the maximum annual earnings subject to payroll taxes (currently \$118,500 a year);
- increasing the payroll tax percentage;
- expanding the federal income tax on Social Security benefits; and
- treating employer-paid health care premiums as taxable income for the worker.

None of these options is popular, and that's why no action has been taken on any of them yet.

But at some point in the coming years, the threat of imposing a 25-percent cut in Social Security benefits (which would outrage seniors) or a 43-percent increase in payroll taxes (which would outrage workers) will force a serious look at various compromise options.

MOAA believes that will serve all concerned parties. Our members have parents, children, and grandchildren and want to protect the interests of all those groups in the fairest possible manner.

## October Meeting Tuesday, October 18

Reservations by  
**Noon Friday, Oct 14 to**  
Bob Allen  
627-6226  
MOAA.TriCities@charter.net

### Menu

Tri-tip  
Pasta  
Scalloped potatoes  
green beans  
broccoli  
salad  
roll

Country Gentleman  
9221 W. Clearwater Ave  
Kennewick

Social hour at 6:30  
Dinner at 7:00  
\$27.50 per person

A reservation made  
is a reservation paid.