

Social Security Matters

By Russell Gloor, National Social Security Advisor at the AMAC Foundation, the non-profit arm of the Association of Mature American Citizens

Ask Rusty – About Claiming Social Security Early and Investing It

Dear Rusty: I am a 63-year-old single lady, and I have questions regarding Social Security “early retirement,” though I will still be working full time. I know there is a maximum allowable income limit and, if I exceed that, I will need to return probably 2/3 of my received Social Security benefit. I’m thinking about taking those early SS benefits (about \$1,400 per month) and putting them in my high yield savings or CD where I can gain the interest on it and have it stay “liquid” so I can return what I need to. My current interest rate is 3.65% on the savings, and over 4.25% on CD, with options for 3,6,9 mos. or longer- but I want to be able to access the money to pay Social Security back at the end of the year. Can you advise me on this? Signed: Still Working but Wondering
 Dear Still Working: I commend you, for investigating your options before claiming early Social Security benefits while still working. FYI, the 2026 annual earnings limit for those collecting early SS benefits is \$24,480 (changes annually). If your 2026 work earnings exceed the annual limit, Social Security will take away \$1 in benefits for every \$2 you are over the limit. The annual earnings limit lasts until you reach your full retirement age (FRA), and the limit is about 2.5 times higher during the year you attain FRA. FYI, when you apply for benefits, Social Security will ask if you are working and, if so, how much you make. Using that info, they will evaluate whether you can take benefits now and, if so, how many months they can actually pay your benefits. For example, if your projected 2026 earnings are, say, \$100,000, you would be about \$75,000 over the annual limit which means that half of that (\$37,500) would need to be paid back to SS. Since your monthly SS benefit at your current age would be about \$1,400 per month, Social Security will say that you are temporarily ineligible to collect early benefits because you cannot pay back within one year what you would owe for exceeding the limit. In other words, they won’t pay your SS benefits just yet because your earnings are too high and they do not want to overpay benefits which you will only need to return. For additional perspective, if your expected 2026 earnings are less (say about \$50,000) – that means you would be about \$25,000 over the limit – about half of that (about \$12,500) would need to be paid back to SS. In that event, SSA would tell you they will withhold 9 months of your SS payments in advance and pay your benefits for only 3 months. This is because the overpayment, with your current benefit of about \$1,400, could be recovered by withholding your SS payments for 9 months. They do not want to intentionally overpay your SS benefits. So, despite your best repay-

ment intentions, Social Security will not favor intentionally overpaying your benefits. Historically, overpayment of benefits due to exceeding the annual earnings limit has been a notoriously difficult issue for the Social Security Administration. So, to get your early SS benefits while you are working full time, you would likely need to lie about your anticipated 2026 earnings on your application for SS benefits, which we strongly discourage. Keep in mind that this all changes when you reach your FRA (67), because the earning limit goes away entirely when you reach FRA (and the limit goes up by about 2.5 times in the year you attain full retirement age). So, depending on your earnings level, you may wish to either wait until your full retirement age, or until you stop working full time, to claim SS. Now, as for the general idea of taking early benefits and investing them, many have said they wish to do that, and we understand that logic. Our caution is that it requires religious discipline to put the SS money into a higher yield investment vehicle to accomplish the goal of beating the SS increase realized when you wait to claim. Many who try it succumb to the temptation to use the invested funds for emergency needs (and sometimes non-emergency needs). I offer this only as something to be aware of, as some have shared that they failed in their investment objectives with their Social Security money. This article is intended for information purposes only and does not represent legal or financial guidance. It presents the opinions and interpretations of the AMAC Foundation’s staff, trained and accredited by the National Social Security Association (NSSA). NSSA and the AMAC Foundation and its staff are not affiliated with or endorsed by the Social Security Administration or any other governmental entity. To submit a question, visit our website (amacfoundation.org/programs/social-security-divisor) or email us at ssadvisor@amacfoundation.org.

The 2.4 million member Association of Mature American Citizens [AMAC] www.amac.us is a vibrant, vital senior advocacy organization that takes its marching orders from its members. AMAC Action is a non-profit, non-partisan organization representing the membership in our nation’s capital and in local Congressional Districts throughout the country. And the AMAC Foundation (www.AmacFoundation.org) is the Association’s non-profit organization, dedicated to supporting and educating America’s Seniors. Together, we act and speak on the Association members’ behalf, protecting their interests and offering a practical insight on how to best solve the problems they face today. Live long and make a difference by joining us today at www.amac.us/join-amac..

PUBLIC NOTICE



ALLISON BALL
 AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor’s Report

To the People of Kentucky
 The Honorable Andy Beshear, Governor
 Holly M. Johnson, Secretary
 Finance and Administration Cabinet
 The Honorable Raymond Banks, Wolfe County Judge/Executive
 Members of the Wolfe County Fiscal Court

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis of the Wolfe County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Wolfe County Fiscal Court’s financial statement as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Wolfe County Fiscal Court, for the year ended June 30, 2023, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Wolfe County Fiscal Court, for the year ended June 30, 2023, or the changes in financial position and cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Fiscal Court Audit Guide* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Wolfe County Fiscal Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Wolfe County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky’s regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Wolfe County Fiscal Court’s management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky’s regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wolfe County Fiscal Court’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wolfe County Fiscal Court’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Wolfe County Fiscal Court. The Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky’s regulatory basis of accounting and budget laws.

The accompanying Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules are fairly stated in all material respects in relation to the financial statement as a whole.

Other Information

Management is responsible for the other information included in this report. The other information is comprised of the schedule of capital assets but does not include the financial statement and our auditor’s report thereon. Our opinions on the financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2025, on our consideration of the Wolfe County Fiscal Court’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wolfe County Fiscal Court’s internal control over financial reporting and compliance.

Based on the results of our audit, we present the accompanying Schedule of Findings and Responses, included herein, which discusses the following report findings:

- 2023-001 The Wolfe County Fiscal Court Did Not Have Adequate Internal Controls Over Disbursements
- 2023-002 The Wolfe County Fiscal Court Did Not Have Adequate Internal Controls Over Occupational/Payroll Tax Collections And Solid Waste Collections
- 2023-003 The Wolfe County Fiscal Court Did Not Properly Budget For And Record All Debt Related Disbursements
- 2023-004 Long Term Liabilities Reported On The Fourth Quarter Financial Statement Were Materially Misstated
- 2023-005 The Wolfe County Fiscal Court Does Not Have Adequate Internal Controls Over The Wolfe County Animal Shelter

Respectfully submitted,

Allison Ball
 Allison Ball
 Auditor of Public Accounts
 Frankfort, Ky

August 20, 2025

State law requires the Auditor of Public Accounts to annually audit fiscal courts, county clerks, and sheriffs; and print the results in a newspaper having general circulation in the county. The complete audit and any other audit of state agencies, fiscal courts, county clerks, sheriffs, and property valuation administrators may be viewed in the reports section of the Auditor of Public Accounts’ website at auditor.ky.gov or upon request by calling 1-800-247-9126.

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