

**By Matthew Crider, JD
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Last month the Obama administration released their budget for the 2012 fiscal year, and included in that budget were a few things that retirees (or those close to retiring) will want to be aware of. If you own a business you may want to keep reading as well, as some of the proposals within the budget would affect not only retirees, but also small business owners. [This article in the US News and World Report](#) describes some of the proposals included in the budget, including:

Automatic workplace pensions. This would require employers (with the exception of very small businesses) that do not currently offer a retirement plan to enroll their employees in a direct-deposit IRA account. Employees would have the ability to opt-out if desired.

Tax incentives to create retirement plans. This proposal would increase the value of the tax credit to small businesses that start new retirement plans. The current maximum credit is \$500/year for up to 3 years, the new proposal would increase that to \$1000/year.

More Social-Security funding. Obama's budget would allocate \$12.5 billion to the Social Security Administration, up \$1 billion since 2010. The primary aim of this increase would be to "reduce the backlog of disability claims and decrease Social Security fraud."

But not all of the proposals included in the budget are beneficial to retirees. Here are a few things you may want to watch out for:

Pension insurance premium increases. "The budget proposes giving the Pension Benefit Guaranty Corporation... the authority to adjust premiums and take into account a company's financial condition when setting premiums." Although this is certain to result in premium increases, the increases would be gradually phased in.

Senior Community Service Employment Program funding cut. The proposed budget would reduce funding for the Senior Community Service Employment Program by 45 percent, and would transfer the program from the Department of Labor to the Department of Health and Human Services. Seniors who hope to retrain for new jobs in their retirement years may find this more difficult to do than they expected.

About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](#) in 1999 so he could help individuals and business owners by providing creative solutions and be their trusted advisor and legal counselor. He serves his clients by listening closely to their goals, dreams and concerns and working with them to develop superior and comprehensive estate and asset protection plans. His estate planning practice focuses on preserving and growing wealth by providing comprehensive, highly personalized estate planning counsel to couples, families, individuals and businesses.

