Health Care and Income Security for War Tax Resisters

Includes:

Affordable Care Act

Medicare and Medicaid

Living Without Health Insurance

Social Security and Pensions

Planning Ahead: Wills, Inheritance, Trusts

Over 65 and Living Well

This publication is one of a series of "practicals" that offer ideas, tips, and information for individuals who want to cut off their financial support for the U.S. war machine or are currently practicing war tax resistance. Other pamphlets in this series discuss how to control income tax withholding, choosing low income/simple living, self employment, and whether or not to file an income tax return. The full list of the "Practical Series" appears at the end of this text or under the Resources button at nwtrcc.org.

On the one hand this booklet deals with a lot of issues for war tax resisters who are getting on to retirement age, whatever that means for each individual. On the other hand, younger readers should find useful information here on that topic and also some hints toward planning for the future. Health care has long been a primary concern, and the advent of the Affordable Care Act ("Obamacare") and the Marketplace or exchanges have implications for war tax resisters of all ages.

You may not find an answer here that responds to your exact situation, but you will find ideas to help you plan, as well as a resource list at the back for more research. In addition, you might want to give this booklet to family members who are concerned about your welfare and about subjects like the question of inheritance.

HEALTH CARE

THE AFFORDABLE CARE ACT (ACA)

The first edition (2006) of this booklet gave readers ideas to meet the challenge of health coverage on a low budget, and we've kept some of the stories here that may still be useful in certain circumstances. But since 2014, we are grappling with the Affordable Care Act (ACA) or "Obamacare," which is inextricably linked to the IRS and the income tax system. The ACA requires everyone to have health insurance, but some readers will get it through their employer or buy it privately; some are 65+ and will be on Medicare; very low income readers might skip to the Medicaid section. But many of you will need to sign up through a Marketplace or exchange, and then you will find out if you qualify for a subsidy, paid in the form of a "premium tax credit." The credit is based on income reported to the IRS. Adjustments (payments or refunds) are made when you file with the IRS at the end of the year.

The Affordable Care Act pushes more people into the tax system, undoubtedly a calculated move on the part of the federal government. Other than that, discussion of the ACA and how it affects war tax resisters remains tentative because it is relatively new and we do not yet have enough experiences and stories. In addition, aspects of the legislation are being phased in over a few years; there are variations in the way it works from state to state; and new administrations may change the legislation or its funding over time.

A good reference for the tax implications of the ACA is IRS *Publication 5187, Health Care Law: What's New for Individuals & Families*, irs.gov/pub/irs-pdf/p5187.pdf. Before you file your income taxes, you will receive a statement, Form 1095-A, from

Comments from Four War Tax Resisters After One Year of the ACA

"I don't have enough income to need to file a return, therefore I qualify for Medicaid, which has worked out ok so far... just got coverage renewed for the second year."

"I live below the poverty line and I get Medicaid and Medicare from having a small disability. All my bills are covered by both. Seems like a deal to me. Free healthcare for all!"

"I'm a non-filer. I was on Medicaid for one year then they cut me off for a stupid bureaucratic reason. I was planning on reapplying but my income has been erratically too high to qualify. I keep waiting for my income to go down and so far it hasn't. I am currently without insurance of any kind."

"When the ACA was written and passed, the idea was that Medicaid would be expanded to cover everyone whose income was below 100% of the federal poverty level. Unfortunately, many states refused to expand Medicaid to cover those people, and this has left a gap in available coverage: hundreds of thousands of low income people who make too much money to get Medicaid but not enough to get the premium tax credit. For them, health insurance is still not affordable. Many war tax resisters fall into this gap."

the Marketplace. You fill out IRS Form 8962 with the information on the insurer's statement plus your final adjusted gross income from your 1040 to reconcile over- or under-payments for subsidized health care. Form 8962 is on the IRS website, and you can use that form to estimate what you should pay for health care during the year if you qualify for the premium tax credit.

While there are many complications and controversies about the ACA, for war tax resisters a few problems and benefits are notable:

Nonfilers who want to stay out of the tax system are in a quandary. You cannot get subsidized insurance coverage unless you file, because the IRS manages that aspect of the ACA. The exception is for nonfilers who live below the taxable level and are not required to file; they can be covered through Medicaid or a state plan for low income residents or they can remain exempt from ACA requirements.

The ACA's Catch-22

The Obamacare subsidy—to make health insurance affordable for families up to a level of 400% poverty level—is not available to couples whose tax status is 'married filing separately'. So needless to say, at 201% of poverty level, we can't afford the $8K/year cost and will remain uninsured. Despite my calling in to separate public or community radio programs twice to share my dilemma of nonaffordability for my tax status, the ACA being the topic both times, I unfortunately have no relief or understanding to report. We never got a plan because we cannot afford it. Still on the table for us is the quickie divorce; no kidding, we would have great Medicaid coverage for very little out-of-pocket if we were to redefine our relationship status. Yes, the subsidy is generously substantial for individuals like us making 20-something thousand a year, but it's absolutely zero if we persist to file separately and still call ourselves married.

Married couples with a modest income can only qualify for the subsidy if they file jointly. This is a problem for many couples who maintain separate finances in order to protect one spouse's assets from collection attempts against the other spouse's refused war taxes.

Filing and staying below taxable income takes attention to detail, calculations and adjustments. Some are finding that they can make a decent income (livable on modest standards), qualify for subsidized insurance, and end the year with no income taxes owed to the federal government. Be creative: consider an option like combining a low-cost, high deductible health plan with a Health Savings Account (HSA). This covers catastrophic health coverage while you pay for other medical expenses with non-taxed income. Having any insurance at all reduces the amount you'll have to pay to providers because of agreements between insurance companies and health care providers as to the maximum they can charge.

These two stories offer real-life examples of benefits from the ACA for certain war tax resisters.

Pay for Insurance, Not the IRS

Robert Randall, Brunswick, Georgia

For lower income WTRs, here is an idea that will enable you to find a way to raise your income, get health insurance, and still not owe taxes for war – if that's what you'd like to do.

If the amount of premium tax credit you get but have not used equals or exceeds the amount of income tax you owe, then when you file your tax return you will not owe any income tax and may actually be owed a refund. The way to make that happen is to pay enough of your premium directly to the insurance company, instead of having the feds do it, so that you are owed a sufficient amount back to offset the income tax. In this case you will have redirected your money from the general fund to some insurance company – not the best recipient but much better than the war machine. The caveat, of course, is that most WTRs of low to modest income won't be able to afford the high premiums monthly. But if WTRs have been setting aside for redirection the amount not being withheld from their pay, then it's a wash. Now they are paying for insurance with it instead.

High Deductible Plus Health Savings Account

David Gross, San Luis Obispo, California

In my own case, I have a high-deductible health insurance plan that allows me to continue to contribute to a tax-advantaged Health Savings Account. (See *IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans*, www.irs.gov/pub/irs-pdf/p969.pdf.) My strategy of keeping my adjusted gross income (AGI) below a certain threshold in order to avoid income tax has the side-effect of qualifying me for the maximum subsidy:

I pay next-to-nothing (a token dollar per month) for this insurance. As a self-employed person, I'm permitted to take the cost of my health insurance premium as an "above-the-line" deduction on my 1040 (that is, a deduction that has the effect of lowering my AGI). Because of this, although my premium is going from $2,500+ in 2013 to $12 in 2014, this won't translate to any extra spending money for me as it wasn't money I was spending out of my post-tax income anyway. However, I'll need to bring in $2,500 less income during the year to meet my over-all expenses. In other words, I'll be able to maintain the same standard of living while having to work for $2,500 less income.

W-4 resistance and the ACA. Salaried WTRs getting their own insurance may want to include the premium tax credit (if any) into calculations and adjustments when declaring allowances on the W-4 form, which the payroll office uses to calculate how much tax is withheld from your paycheck. Similar adjustments can be made by self-employed WTRs if they pay some estimated taxes.

As Robert Randall suggests on page 4, pay your insurance premium with your own money (money which you have because it's not being withheld from your paycheck) and then get an equivalent net premium tax credit on your Form 1040. In this way, you are sending your money directly to an insurer and not owing it as federal income tax. Depending on your form of war tax resistance and any fluctuation in your income, this may require annual adjustments. You can submit a new W-4 form anytime. See NWTRCC's *Practical #1, Controlling Federal Tax Withholding*, for more information on W-4 Resistance.

Exemptions and Opting Out

The ACA requires minimum essential coverage for every taxpayer in the U.S. unless they are exempt or pay a penalty, called an "individual shared responsibility payment." IRS Publication 5187 includes a list of exemptions, including having household income below the return filing threshold, if the lowest cost Marketplace plan is more than 8% of annual household income, being a member of an Indian tribe, incarceration, etc.

If you file and did not have the minimum essential coverage, then you are supposed to pay the shared responsibility penalty, which is also outlined in Publication 5187. The penalty amount will increase every year, and starting in 2016 it will be 2.5 percent of household income and $695 per adult ($347.50 per child under 18).

Health coverage providers are required to file information returns with the IRS and with covered individuals for coverage in calendar year 2015. This report will include the Social Security number for all covered individuals as necessary "for the IRS to verify an individual's coverage without the need to contact the individual." Employers will also be required to report those covered under their plans. Whether the IRS computer systems will be able to handle all this data and use it for matching against missing returns — or for other less predictable uses — it is too early to tell.

ACA Enforcement

At least for now, the IRS is not allowed to place a lien on your property or levy (garnish) your wages in order to collect money owed for the “individual shared responsibility payment” or underpayment of premiums under the ACA. Unless a person voluntarily pays what is owed, the IRS can only collect by deducting the amount due from a tax refund. If the person is not owed a refund large enough to collect the entire amount, the IRS can hold on to the debt and collect from refunds in following years.

MEDICAID

Medicaid is a health insurance program funded by states and the federal government to provide coverage for low income people, including families, children, elderly and the disabled. It is generally administered by states. Medicaid will pay for most doctor visits, some dental needs, some vision services, and most prescriptions. Medicaid can also pay for the Medicare Part B premiums.

While the federal government helps pay for Medicaid, each state has its own rules about who is eligible and what is covered. Your eligibility for Medicaid benefits usually is determined at the local level through an interview with a city, county, or state Department of Human Services case worker. In most states, anyone who qualifies for SSI assistance is also eligible to receive Medicaid benefits.

The Affordable Care Act offers states the option to expand Medicaid to all U.S. citizens and legal residents, including adults without dependent children, with income up to 133% of the poverty line (in 2015, $11,770 for a single person, and $22,250 for a family of four; slightly higher for Alaska and Hawaii). As of January 2015, 28 states and Washington, DC, are participating in the ACA expanded Medicaid program.

ISSUES FOR THE UNINSURED

For a variety of reasons an individual or family may still find themselves falling between the cracks or unwilling to participate in the current health insurance options.

Arranging health care without insurance can be challenging, but with ingenuity and assertiveness you may find that doors open that you had not expected. Some of the stories in this booklet offer examples. Some options include: creating your own health care fund by regularly setting aside some part of your income; bartering with health care providers; arranging personal payment plans with health care providers; investing in wellness and preventative health care; taking advantage of clinics, such as those attached to medical and dental schools; or considering dentistry or surgery outside the U.S.

If you leave a salaried job with health insurance, be sure to ask your employer about COBRA, which gives workers and their families the right to privately pay for continued benefits under the employer's plan for limited periods of time.

Uninsured in North Carolina

Daniel Woodham

As someone who chooses to live simply as a low-income war tax resister I have decided to forego health insurance for the time in 2015. Choosing to buy this insurance would cost more than half of my income and that would still be the cheapest insurance available. My wife and I are middle-age and healthy so for the time being this doesn't cause us a lot of concern. My wife is purchasing health insurance and our young son is covered by Medicaid as he has been since birth.

Health care under the Affordable Care Act has definitely been an issue for our family. In 2014 we found out that married people who file separately are not entitled to subsidies but can still get coverage in the Marketplace. This means that health care costs are high even for our low-income family. As a resister of paying war taxes for 25 years, I file separately from my wife so there is less worry that she will be penalized for my tax debts.

We live in a state that did not accept federal Medicaid expansion. Where we would be eligible for insurance through Medicaid in most other states, we currently have to pay full price for our own health insurance despite our low-income status.

It may be that my wife will get insurance through an employer when she goes back to work and I could be covered under that plan. It might be that the Congressional Republicans will gut the Affordable Care Act before I would be assessed penalties for not having health care this year. However, as some-one who is low-income, I am most likely able to be exempt from having health care according to IRS regulations.

Surgery in Spain

Jim Stockwell

In February 2005, I made a choice to go to Spain for a hernia operation. I took the time to do the research on this elective surgery that could have done irreparable harm to my physical health. I paid approximately $500 for tests and learned that, in the United States, the procedure and one day in the hospital could run me as much as $10,000, with no guarantee it would not be more.

I had options, and I used them. I got in touch with my brothers in Spain, and they set me up with a private clinic. Spain has a public health care system, so its citizens do not have to pay anything or maybe very little for their health-

continued on next page

care; I would have to pay of course. It helped that I had room and board provided to me by my brothers for the recovery period, and also in my favor is that I am fluent in Spanish, so I flew to Spain.

The quality, care, cleanliness, and privacy of the clinic and its staff were superb. I was in the hospital for one overnight, and it cost $1,970. The environment was equivalent to walking into any clinic or hospital in our country, except you were greeted by extremely cordial attendants, had very little waiting, and the first person you were introduced to was the anesthesiologist.

Health Care in Cuba

David Waters

An arthritic knee from Viet Nam war wounds had me in almost constant pain. In order to get screening doctors at the Veteran's Administration (VA) to refer me to the orthopedic clinic, I had gone to private doctors, had x-rays done, and received a diagnosis of traumatic osteoarthritis with recommendations that a total knee replacement be done.

Since I had been to Cuba many times with Pastors for Peace caravans challenging the U.S. embargo against Cuba, I had some familiarity with their medical tourism program. So, I decided to explore that as a treatment option while at the same time doing battle with the VA.

A friend on a delegation to Cuba delivered my x-rays and pertinent medical history to a doctor at a clinic I knew about. I received a treatment plan that included tests to be done pre- and post-operative, 21 days at the clinic, rehab, etc. The cost was significantly lower than comparable care in the U.S. and included low cost housing and meals for a companion.

The plan was to "correct the deformed tibia," a procedure that would, according to the doctor, "give greatest benefit and preclude replacement of the knee with a prosthetic device."

I did not follow up on this because I felt it was the VA's responsibility to take care of the war related injury. So, I stayed with the pain for a year until they did the total knee replacement.

However, because of Cuba's forced isolation from our brand of mainstream medicine, they have developed methods and procedures for certain conditions that may not be available from U.S. medicine. I think it would be good to keep it in mind as an option, not knowing what direction health care/insurance will take and travel to Cuba may be opening up. The website for Cira Garcia Central Clinic, www.cirag.cu, is loaded with good information.

Knee Surgery for a Self-Employed WTR

Vicki Rovere

Shortly before Thanksgiving of 1999, I stepped out of a car and felt a searing pain in my right knee. Over the previous months I had felt sharp pains when

I squatted while building a raised floor in my living room; one time at the theater I had to move to the end of a row because it was too painful to sit with my leg in a bent position. But that November day it was clear I needed to see a doctor.

At the time I had health insurance, which I had found through the National Association of the Self-Employed. I rarely need medical help, and I wanted the insurance for catastrophic coverage. So I chose a policy with a $5,000 deductible, which kept the premium low. (I think it started at $100 a month, and gradually rose to $150.)

Because such large deductibles are unusual, even the medical staff was unfamiliar with the procedures. The MRI cost $1,000; the doctor said his fee for arthroscopic surgery was something like $7,000. I explored other options. I tried applying for Medicaid but was turned down because I had insurance. I had heard that some people had gone to Canada for elective surgery, but I couldn't find anything on the Internet. If I went to a clinic in New York I wouldn't be able to choose my doctor, and I had no idea of the competency level of the staff.

Finally, a breakthrough (and this is key): I learned that the insurers have fixed amounts they pay doctors for each procedure, and the doctors in each plan have accepted this. The payment for the arthroscopy was listed at $3,000, and this was all my doctor was entitled to, even if I was paying it myself. Same for the MRI—I think it was half the cost, and I got a refund for part of what I had already paid. What with other costs of the operation and then a course of physical therapy, I finally exceeded the $5,000 deductible; the insurance paid 80% of additional costs.

MEDICARE

Medicare is a health insurance program run by the federal government. Those who qualify are people who are 65 or older; certain people with disabilities who are under 65; and people of any age who have permanent kidney failure. Another way to put it is, Medicare is for people who receive (or would qualify for) some sort of Social Security benefits (see Social Security section below) including Social Security Retirement Benefits or Social Security Disability Insurance. Medicare is the primary payer for any claims, meaning your doctor will send bills to Medicare before asking anyone else to pay. The website has a very easy eligibility calculator at www.medicare.gov/eligibilitypremiumcalc/#eligibility.

Medicare comes in two parts:

PART A: Pays for expenses related to a hospital or nursing facility and is free to all who qualify. Part A can also be purchased for those who do not qualify; in 2015 the monthly premium is $407. Be sure to see the website or talk to a benefits counselor at a senior center or social service agency if you are uncertain about your eligibility.

PART B: Pays for doctor visits and related tests and has a monthly premium (usually deducted from your Social Security payment) for most people of $104.90 in 2015 plus $147 deductible; monthly costs rise for individual with annual incomes above $85,000.

Medicare is a national plan, but varies from place to place. Some areas require that you enter a Medicare HMO plan, which usually has better coverage but limits your ability to see certain doctors or to obtain Medicare-qualifying health

Medicare and Social Security Experience

David Waters

For years I have used and continue to use the Veterans Administration (VA) system for my primary health care. When I turned 65 I decided to apply for Medicare because you never know if what works today will work tomorrow. I can't remember whether I applied online or by phone, but did whatever was asked and was approved. About all that was required for Medicare was being 65.

I had long doubted that I would apply for Social Security benefits, but with the Medicare payments due quarterly at $300, I decided at age 67 to do so.

The Social Security application was made by phone. Two strangers locked in incredulity: she at there being no record of any 1040 filings for the past 20 years; me in being told that none of the last "real" jobs I had – one city and two separate state agencies – showed any Social Security withholdings. In addition, was her bafflement that I received VA pension which was not military retirement but was compensation for wounds. Why this was unusual I don't know, but it seemed to throw her almost completely.

To resolve that issue, she sent me an envelope in which to return to her my DD214. This is a synopsis of military service given to all personnel when mustering out of the military.

I realize that few WTRs will have this same experience. I also realize that many WTRs applying for Social Security will do so with some trepidation. After all, you are presenting yourself before officialdom with the feeling that the less said the better. But, I think whoever takes your application does so in order to see that you get your due.

My hope was that whatever Social Security payment I might receive would cover the Medicare premium and maybe a little extra. This, in fact, turned out to be the case.

Two points about Medicare I want to stress. Yes, you do pay for it, though the premiums will be deducted from any Social Security payments you receive. And, apply as soon as you are eligible to do so. That is 65 for most of us, for you will be penalized for any time past the date you could have applied.

care when you travel. Medicare provides basic health care, but it doesn't cover all medical expenses or the cost of most long-term care.

PART D: Optional drug coverage. Part D requires choosing a plan from private health insurers and paying a separate premium to them. Part D may only benefit those who require a number of prescriptions or expensive drugs.

HELP FOR LOW INCOME MEDICARE BENEFICIARIES

The Qualified Medicare Beneficiary Program (QMB) provides financial help to pay for Medicare monthly premiums, deductibles and co-insurances. It is managed state by state with both federal and state funding. The QMB program is available to all people who are eligible for Medicare Part A and meet income and asset eligibility. For those who are eligible, the QMB program will pay the Medicare Part A and Part B monthly premiums, Part A deductibles and co-insurances, and the Part B annual deductible and 20% co-insurance amounts.

More Advantages of Aging

Redmoonsong

Having been a war tax resister most of my life (and doing mostly unwaged work — mother, housekeeper, etc.), the IRS says I only have 27 quarters — not enough for regular Social Security/Medicare. (You need 40 quarters to qualify before 65 years of age.)

Well, if you wait till you're 69 like I did, and are poor, disabled or blind, you can qualify for SSI (Supplemental Security Income). With that comes Medicaid/Medicare/food stamps/the whole ball of wax from the feds. I haven't had a bank account since 1984. No credit, no phone, no electricity, no water, etc. Now they wanna give me everything. Should I take it?

I contacted the local county's Council on Aging to get some advice. It's these folks' job to help us and they want to be competent! Let 'em! They are connected to every resource you can imagine and want to share them. So I'm learning about local housing, medical situations, you name it. I'm also into networking myself. Who knows what? How can I help?

I never wanted a paper trail, so not having a bank account all these years was a choice. Now, if I'm gonna continue to get SSI, I have to have an account – Direct Electronic Transfer (or some such). I'm going to a credit union (the least offensive from my point of view) to see if they can manage this. My understanding is that the IRS can take up to 15% of your money for back taxes from "regular" Social Security, but they can't take anything from SSI or other "poverty' funds. The IRS says I owe them, so we'll see what happens now.

INCOME SECURITY

SOCIAL SECURITY

Social Security Taxes – Some Considerations

If you are a salaried worker, it is not possible to stop the withholding of Social Security and Medicare taxes. Under the Federal Insurance Contributions Act (FICA) these taxes are a set percentage deducted from each paycheck (up to a set annual maximum; $7,347 in 2015).

Among self-employed and low income resisters, opinions vary regarding payment of Social Security and Medicare taxes. Most who refuse payment of FICA taxes resist not because of objections to the programs funded by the tax, but because the actual dollars all seem to go into one big pot, and some may be used by the Pentagon. Also, the temporary surplus income from the tax is invested (and borrowed) by the federal government for general purposes. On paper FICA taxes are tracked as a trust fund to be spent for Social Security and Medicare benefits, but a portion of every Social Security payment is placed into reserve investment in U.S. treasury bonds, thereby contributing indirectly to military spending.

Resisters should note that federal penalties, both civil and criminal, for refusing payment of Social Security taxes are the same as those for refusing payment of income taxes. When applying penalties, the IRS does not distinguish between income taxes and Social Security taxes, and it is not certain that the IRS distinguishes between the two taxes when processing payments. However, income tax resisters who file quarterly and/or annual returns do have their earnings credited to their Social Security account whether or not they pay their income taxes and Social Security/Medicare taxes.

Questions about Social Security may surface or resurface when resisters approach retirement age and must decide whether to apply for Social Security benefits. Some war tax resisters choose to remain outside of the Social Security system both at the contributing and receiving ends. Other resisters choose to participate in the Social Security program and are interested in knowing how eligibility is determined. Especially for those with low incomes and who are, therefore, likely to have little or no savings, pension, or health insurance, knowing one's options can be helpful in terms of planning for the years when one may no longer be able to work.

Social Security Eligibility

(Detailed eligibility information is available from the Social

Security Administration, ssa.gov, or by calling 1-800-772-1213.)

Social Security retirement benefits are determined by a "credit" system. To be eligible to receive benefits, most people born in 1929 or later must have earned at least 40 credits over the course of their working life. Credits are based on your total wages and self-employment income during the year, and a maximum of four credits can be earned in a year. In 2015, one Social Security credit is gained for every $1,220 of earnings on reported income. Depending on your pay rate, it may take a few months or all year to earn four credits, and the 40 credits need not be earned in consecutive years. Generally, even low income workers will have earned Social Security eligibility with ten years of labor.

The amount of individual benefits is determined by the level of earnings and by the age at which one retires. Early retirement can be claimed at age 62. For those born before 1938, full retirement age is 65. The Social Security Administration is gradually increasing the full retirement age to 67 starting with people born in 1960. If you take early retirement, your monthly payment will be lower. The Social Security website, www.ssa.gov, has helpful calculators.

WTRs and the Social Security Application

Covered in California (2014)

I filed a return every year but did not pay. It went smoothly with applying for a refund of the funds extorted from me over the years by the death machine. I applied shortly before my 62nd birthday and fortunately at the time had an address (I had been homeless/living out of my truck off and on for several years). I had "credits" from working at several jobs over the years including high pay jobs in the service of the death machine and lower paying jobs in the service of the oppressed. Half of what I was due is being garnished by the county for child support and "spousal maintenance" arrears (50% under California law and in accordance with federal law). 15% of the remaining 50% is being garnished by the extortion service (aka, IRS).

Low income non-filing couple in Colorado

We both got approved for Extra Help with Medicare (to pay the premiums and drug plans) for now through 2015. It's based on income and resources in 2014. So, we're grateful and fine for now. . .though the confusing paper mountain continues, and the different insurances and government agencies don't seem to do things in a timely fashion nor share what they do with the others affected. . .we're lucky to have a center for senior insurance and help where the caseworkers understand the bureaucratic stuff, so we go there when we don't understand something, and they helped us file what we had to request for the help.

WTRs and the Social Security Application

Payno Warbucks

[NOTE: This essay was written in 2002. Barring major changes in the Social Security system, the basic information remains relevant.]

Many war tax refusers do not file federal income tax returns and do not pay income or Social Security taxes. Therefore, they are concerned about their eligibility for Social Security benefits and Medicare when they reach retirement age and may not be able to support themselves or pay medical bills from work income alone. I was one of those.

The statement sent to me annually over the last few years by the Social Security Administration showed that in 21 of the first 24 years of my working life I earned wage income, with Social Security taxes withheld, so there was no doubt that I had earned enough credits for retirement benefits eligibility. I had filed no income tax returns since 1959 and had prevented withholding of all income tax from almost all wages earned after that by claiming extra allowances on W-4 forms filed with my employers. However, Social Security eligibility is not based on returns filed or income tax paid, but on income and Social Security withholding, as reported by employers, and on self-employment income, if reported on income tax returns.

In the next 22 years of my working life (as a self-employed carpenter) no income was reported to the IRS and no taxes or Social Security were paid. Seeing long columns of zeros on annual Social Security Statement mailings, I wondered what questions would be asked about this if I applied for Medicare and Social Security.

I turned 65 in June 2002, and began to need medical insurance coverage for emerging health problems. Because I had made no contributions to the Social Security Retirement Fund for 22 years, I initially intended to apply only for Medicare benefits and to defer applying for retirement benefits until I might need them because of inability to continue working. Applications can now be made by Internet, phone, or in person at a Social Security office.

By coincidence, I spent half of 2001 in federal prison for a School of the Americas Watch protest, so my income was unusually low and not taxable for that year. It was the perfect year for filing my first straight income tax return in 42 years. My adjusted gross income for 2001 was $661.68, which included $18.48 for a month and a half of food service employment in federal prison. I owed $81 in Social Security tax, but was entitled to an Earned Income Credit of $40 because of low income, which reduced my total due to $41. I recommend to non-paying non-filers that you plan to earn low income in the year before applying, so that you can file without incurring income tax claims that year.

I chose to apply by phone. The interviewer reviewed with me my record, the dates, facts, and documents required for an application. She argued that it would be financially advantageous for me to apply for the retirement benefit at 65, rather than waiting until later. When I persisted in asking for the Medicare benefit only, she asked, "Are you just going to leave this money lying there?"

The Social Security website on how to apply for benefits says, "If you have a copy of the Social Security Statement please be sure the earnings listed for each year are accurate, especially the years after 1977 and any years you served in the U.S. military." The interviewer reviewed my earnings record and pointed out that there were no earnings credited for 1978-2000. I had carefully thought through how I would answer such questions. I replied, "I can't document that for you. I have to go with your figures." I planned to stick with that response, but she didn't question me any further about the issue. When she summarized the interview in the form of a typed application that was sent to me, she paraphrased my response to these questions as follows: "My earnings history was reviewed with me and it is correct; I have not worked during the last 23 years in public employment." (The term "public employment" apparently did not mean government employment, but employment for forms of compensation that are taxable or publicly reported.)

If this conversation is representative of Social Security Administration policy, they are not interested in probing the earnings record as reported to them by the IRS, which collects or does not collect the required taxes. They seem more interested in paying out the prescribed benefits based on the reported earnings. Higher reported earnings would in fact lead to a higher level of benefits to the applicant.

After I was approved for Medicare, I reflected further on the Bush tax cut that put the budget back into deficit; his request for a $48 billion increase in military spending for 2003; his Star Wars and Iraq invasion plans. If I left my Social Security entitlement money lying there, as the interviewer put it, the money would not be used for benefits to elderly or disabled people. Social Security revenue surpluses would again be used to finance a federal military deficit, as they have been for most of my working life. I decided to claim the benefits and appropriate any surplus in my personal budget to urgent works of peace and justice, as I have always done. So, three months later, I applied for the retirement benefit. The interviewer for this application didn't get into my earnings record. It happened that I was eligible for a higher level of benefits as a widower, based on the reported earnings of my deceased former wife, because I had been married to her for more than ten years.

In conclusion, I recommend that non-filing, non-payers plan to work for reported wages for at least ten years over the course of a working life. I believe from my experience that not filing returns and not having any reported income for substantial blocks of years will not, under present practices, prevent people from qualifying for benefits at retirement age.

If you have contributed to Social Security you can find out your to-date Social Security record and estimates of your foreseeable retirement benefits by contacting the Social Security Administration and requesting your personal "Social Security Statement."

Although Social Security is generally thought of as a retirement program, Social Security benefits also are available to many people who are disabled, or to a widow, widower, or dependents of a covered individual who has died. According to the Social Security Administration, approximately one out of every six Americans of any age receives some form of Social Security assistance.

Monthly payments are issued by direct deposit to your own bank account, or by a debit card system, "Direct Express". Paper checks are no longer issued. With the debit card, the government creates an account for the recipient and deposits the funds there each month. A card is mailed to the recipient who can take it to any bank for one free withdrawal per month (no service fee) or use it at ATMs where a fee would apply after the first withdrawal. It can be used like any debit card to pay bills or make purchases.

Supplemental Security Income (SSI)

People over retirement age who are unemployed or marginally employed, without other sources of adequate income, and with limited financial resources, are entitled to receive Supplemental Security Income (SSI) payments bringing them up to a minimum threshold of cash income (which amounted to a total of about $733 for individuals and $1,100 for a couple per month in 2015). They are also entitled to Medicaid coverage, which will supplement any Medicare coverage they have, and will pay for almost all of their medical costs, including prescription drugs. SSI is a safety net program. Eligibility does not depend on whatever Social Security taxes may have been withheld before retirement. The program is administered by the Social Security Administration, though it is financed through income taxes rather than FICA withholding. SSI and most public assistance payments are exempt from IRS levies.

LEVIES ON RETIREMENT INCOME

Social Security

Social Security is protected from garnishment, levy or other withholdings by the federal government, except to enforce child support and alimony obligations; certain victim restitution penalties; with a Notice of Levy to collect overdue federal taxes (see box, p. 17); through the Federal Payment Levy Program (FPLP) to collect overdue federal taxes; or to pay another federal agency for a non-tax debt (this could be a federal student loan from years previous).

War tax resisters with an IRS debt generally fall under the Federal Payment Levy Program, which was instituted in 2000 and is a continuous levy up to 15 percent of each monthly payment. (IRS Code Section 6331 (h)). We don't know if every WTR with an IRS debt has had their Social Security garnished, but we do know WTRs who are living with this ongoing collection. One says, "At the rate of 15% they will never catch up with my refusing and redirecting 100% each year."

The levy may start any time after you have received a Final Notice of Intent to Levy from the IRS. Generally the IRS will take 15% of each Social Security payments until your tax liability is paid in full. However, a number of war tax resisters in this situation have found that the levy comes and goes with no explanation.

There are some exceptions that will release the levy, including when you are in bankruptcy, have applied for relief as an innocent or injured spouse, made alternative arrangements to pay, or the IRS has determined you are in a hardship situation.

Social Security is paid out by direct deposit or a debit card. Some WTRs have had their bank accounts seized by the IRS, meaning that the IRS has essentially taken 100% of their Social Security funds if that is all that was in the bank. Withdrawing any directly deposited Social Security funds as quickly as possible and living on cash, or having a second account that is not used for direct deposit are ways to avoid seizure. Low income WTRs – including many living just on their Social Security payments – should challenge the IRS if their accounts are seized. Call the 800 number on the IRS form and/or call the Social Security Administration and explain your circumstances. A sympathetic agent may help to see that the levy is lifted, or there are more involved procedures for claiming hardship to have a levy released.

Social Security Levy — IRS Takes An Extra Step

Cathy Deppe had endured salary levies in the course of her working life for collection of resisted war taxes. Sometimes she stayed with the job and the levy was eventually paid. Sometimes she quit to stop the collection. She was laid off just when she reached retirement age, but the levy took all her vacation pay and a small pension payout. A local agent was on her case and a series of monthly levies emptied her credit union account. She applied for Social Security, which seemed to come to the attention of the collection agent. Rather than settle for the 15% levy, the agent issued a standard wage levy, Form 668-A or Form 668-W, against her payments, which takes the maximum amount allowed under those statutes. In Cathy's case the government is garnishing 55% of each of her checks. She appealed the high levy through the IRS appeal process to no avail.

PENSIONS AND RETIREMENT SAVINGS ACCOUNTS

Many people who are trying to plan ahead ask about saving for retirement. WTRs should be aware that accounts including Keogh, 401(k), IRA, SEP, and employer pension plans are all vulnerable to seizure by the IRS. One resister had his IRA seized by the IRS and was surprised to learn that the seized amount counted as income when he filed taxes for that year.

Funds in employer pension plans cannot be seized if they are not yet vested; when you have the right to take the benefits, they become vulnerable to IRS seizure for tax debts. The IRS is discouraged from taking retirement accounts. They will look for other sources first, but if it's all they can find, there is the possibility that the funds will be seized. One resister who was living on limited income from Social Security and a teacher pension had both levied simultaneously for her tax debt; she called the IRS number on the levy and found a sympathetic agent who released the levy on the pension.

An Accountant's Observation

[*These are his opinions, not advice from* NWTRCC, *but our intention is to offer options for readers.*]

What I am finding with the WTRs who are being referred to me is that many don't file tax returns. However, those who live simply could qualify for the Earned Income Credit and/or other credits and would actually get money back as well as not pay taxes. There are tax credits and deductions that weren't available when some WTRs decided to not file. The tax laws are always changing, but as of December 31, 2014, a couple filing a joint return could make $36,000, put $6,000 into an IRA and owe no taxes. A single person could make $18,000 and put $3,000 into an IRA and wouldn't owe any taxes (see sample, p. 19). Other tax planning strategies are available for those who are covered by an employer retirement plan as well. If people haven't filed in years and are self-employed, they may not have paid into Social Security either. If they were aware of how much money they could make and still not pay taxes, they could start putting some money away for retirement, pay into Social Security, and still not pay income taxes.

IRA Tip from a War Tax Resister

If you are trying to keep your taxable income below a certain level to lower or eliminate any federal income taxes due, it is possible to send distributions from an IRA directly to a 501(c)3 charity. A qualified charitable distribution does not count as income to you and is not included as income on your 1040. You can claim this benefit regardless of whether you itemize your deductions. However, if you itemize you cannot include this charitable distribution on your Schedule A also. See the IRS rules on "IRA transfers to charity" to make sure you meet the rather specific requirements.

Sample for those who file, using retirement contributions and credits:

A) Couple filing joint return (born after 1950, with no kids)			with even more income
(ordinary) Income	$36,000		$42,000
- (traditional) IRA deduction	-$6,000		-$6,000
= Adjusted Gross Income (AGI)	$30,000		$36,000
- standard deduction	-$12,400		$12,400
- exemptions	-$7,900		$7,900
= Taxable income	$9,700		$15,700
Tax	$973		$1,573
Retirement Savings Tax Credit	-$973	(max=$2,000)	-$1,573
Total owed	$0		$0

B) Single person (born after 1950 with no kids)			with even more income
(ordinary) Income:	$18,000		$21,000
- (traditional) IRA deduction	-$3,000		-$3,000
= Adjusted Gross Income	$15,000		$18,000
- standard deduction	-$6,200		-$6,200
- exemption	-$3,950		-$3,950
= Taxable income	$4,850		$7,850
Tax	$488		$788
Retirement Savings Tax Credit	-$488	(max=$1,000)	-$788
Total owed	$0		$0

Once the AGI tops $18,000 (single) or $36,000 (joint) the maximum credit allowed drops dramatically so it is more difficult to get as close to the desired maximum credit. You will have to experiment with the numbers to see if it helps to lower your taxable income and thus the amount paid in taxes.

PLANNING AHEAD – WILLS, ESTATES, TRUSTS, INHERITANCES

War tax resisters are wise to look ahead when it comes to estate planning, whether they expect to leave money or property behind or may inherit from family or friends.

LEAVING AN ESTATE

Generally, worries about federal estate taxes are unnecessary given that an estate under $5.43 million per person (2015) is not subject to federal estate taxes (state laws vary, and you can look those up online or at your library). It's calculated that 99.8 % of estates owe no federal estate tax at all. This tax is subject to changes made by Congress, but the trend has been to cap the tax higher and higher, thus affecting fewer and fewer estates.

Even for the vast majority of estates that escape inheritance tax, there is the stage of "estate administration" between the time of death and the actual distribution to heirs. During this phase, the executor or administrator of the estate has the legal duty to pay the "just debts" of the deceased. If these include an accumulated tax liability, and the executor plays by the rules, the IRS could wind up being the sole beneficiary of many resisters' estates, with the heirs taking nothing. Even if the executor does not voluntarily pay the deceased's tax liability, the IRS could levy on estate assets, including bank accounts (although it seldom does so). And if the executor disregards the obligation to pay the tax debt before making distribution to heirs, under the law of most states the executor could be personally liable to pay that unsatisfied obligation of the deceased. Under no circumstances, however, would the heirs wind up liable. A resisted and unpaid tax obligation cannot be "passed down" or "inherited."

However, this process of "estate administration" can be avoided by planning ahead. War tax resisters who have a tax liability and lien will want to set things up for direct transfer wherever possible. A will is not necessary, but if you die suddenly without a will and there is property to be distributed, then the courts will get involved and creditors will line up — the IRS being first in line. Some ideas for WTRs with tax debts include:

- give away as much as seems practical during their lifetimes (see below),
- set up bank accounts with a co-signer who can just take

over the account,

- convert bank and retirement accounts to payable-on-death accounts, which go directly to the named beneficiary.
- hold property in joint tenancy or community property with right of survivorship (look up the information on these options).
- some types of trusts may allow a WTR to hold property without risk of seizure (see below).

A good source for more information is Nolo Law for All, nolo.com. See their website articles or books on estate planning, probate, and wills.

Gifting: The first $14,000 of gifts (in 2015) given by one person to another individual is not included in the total amount of taxable gifts made by the donor during that year. So mom can give her child $14,000 and dad can give $14,000 to that same child for a total of $28,000 per year. If that child is married, then the same gifts can be given to the spouse. The recipient of the cash gift does not include it in taxable income and does not have to report the gift as income. The donor would have to file a gift tax return if they give more than $14,000 in a given year to any one individual. The total of nontaxable gifts disbursed during a person's lifetime is deducted from the amount that is exempt for estate tax purposes (see above, under "Leaving an Estate") when the person dies. But since that amount (as of 2015) is well over $5 million, this factor will not affect many people.

Trusts: If you are concerned about leaving an inheritance for someone else, you can look into creating an irrevocable trust, in which you let go of ownership; the trust cannot be changed or canceled without the consent of the beneficiary. This type of trust could be set up by a WTR to provide an education fund for his/her children that would not be subject to seizure. A WTR might look into a personal residence trust for their home, which involves the transfer of a residence to a trust with the grantor (WTR) retaining the right to live in the residence for a fixed term of years. Upon the earlier of the grantor's death or the expiration of the term of years, title to the residence passes to beneficiaries of the trust. Seek legal advice for these options to make sure they are set up under the laws of your state. Phony trusts that do not meet legal requirement are a favorite target of the IRS enforcement action and may even provide evidence of fraud sufficient to justify criminal charges. Any "trust" arrangement that leaves actual control, as well as benefit, in the hands of the grantor is unlikely to be legally valid.

INHERITANCE

Generally, property you receive as a gift, bequest, or inheritance is not included in your income and is not taxable. The IRS cannot take money from you until it is yours. If relatives plan to leave you money, but it is held in their name and Social Security number, there is no reason it should be vulnerable to seizure for your tax debt before it comes to you. One caveat: If you have a lien in your county and you may inherit in the same county, do some research about whether your lien will turn up in a probate process (that is, during estate administration) and before distribution of the inheritance. Since an IRS lien attaches to the resister's "property and rights to property," the lien can be enforced against an estate during the administration period (if the IRS learns of the estate), when a named beneficiary is a resister, to the extent of the beneficiary's interest in the estate, to satisfy the beneficiary's tax debt.

For WTRs with a tax debt, most of the "problems" arise once you have the money. Some WTRs will just accept that the IRS may take what they want from an account and that's that. Others more intent on avoiding collection may want to do some advance planning.

- If possible, have a conversation with parents or grandparents (or whoever might want to leave you assets) about your war tax resistance and the questions you have about receiving an inheritance.
- Would you consider renouncing an inheritance when the time comes?
- Could another trusted family member hold your share of an inheritance?
- Would the estate holder be willing to talk with an accountant or lawyer about trusts or other options that might safeguard an inheritance for a WTR?

See the stories in this section and the NWTRCC resource list at the end of this booklet for other materials that cover this topic.

The bottom line is that there is no easy answer for war tax resisters who inherit assets and hope to keep money from the war machine. There is a good chance the IRS won't know about your new assets before you get them, but once you receive the property, reports on interest, dividends, and such will be sent to the IRS at least at the end of the year in which they were received. We do not have experiences that tell us if the IRS will notice such a report and pursue an investigation.

If money is being held in trust for you, the WTR, you are or will become the owner, and as your asset it is vulnerable to IRS seizure. A trust must obtain a taxpayer identification number and file annual returns reporting its income and distributions to beneficiaries. The beneficiary is supposed to include the distributed income on their tax return. If you are a WTR with a debt to the IRS, a trust in your name and social security number is vulnerable to seizure to the same extent that you could access that trust if you wanted to.

Few inheritances come as cash, but you can take the money out of an account once it is received. However, be wary of the rules around cash withdrawals that will trigger bank reports and government attention. Banks and credit unions are required to report to the Treasury Department individual deposit or withdrawal transactions of currency (not personal checks) of more than $10,000 per transaction. To prevent such reports people may be tempted to withdraw or deposit cash money in amounts of $10,000 or less at any one time, with a larger total amount spread out over a period of weeks or months. Be aware, however, that engaging in this tactic for the purpose of evading the bank's filing of a report is a federal crime called "structuring." Even if the cash withdrawals are in amounts under $10,000, the bank is encouraged to report what it considers to be "suspicious transactions." Even if criminal charges are not brought for structuring, substantial civil penalties are possible, as well as forfeiture of the structured funds.

When a person receives an inheritance of property such as stock or a house, they acquire the Fair Market Value of the property as of the date of death and would only have taxable income if they subsequently sell that property for a gain. For example, Ms. X had stock in a company that was worth $10,000 when she died. If her child, Ms. Y, inherited that stock three months later and the stock was worth $11,000 at that time, and Ms. Y sells the stock for $11,000 she would only have $1,000 of taxable income. If the stock lowered in value from the date the person died to when the child sold it, then none of the stock would be taxable. It is still important to note that the way one notifies the government that the sale of stock is not taxable or what amount is taxable is by filing a tax return. The same rule applies to inheriting a house and subsequently selling it.

Another cautionary note: The IRS considers transfers of assets after a "notice of intent to levy" illegal. There is also the potential of charges of fraud (either civil or criminal) if assets are placed in names that do not reflect true ownership.

Approaches to Inheritance — 3 Stories

Dan Lundquist

The process for distribution of my mother Grace's estate is beginning. Grace died in 2004. I receive no distribution from the will. There is, however, a statement in the will that Grace has already provided for me, a guard against any claim that Grace inadvertently left me out of the will.

I am the only one of my siblings who has claims by the IRS for unpaid military taxes (tens of thousands of dollars over the decades, some of which may have passed beyond the Ten year statute of limitations.)

The estate is distributed equally to my three siblings who will over time direct one-quarter of their inheritance to me. We have yet to work out the details, but my understanding is that they each can gift me $12,000 per year without incurring a gift tax.

Grace's estate is estimated to be less than the $1 million Minnesota inheritance tax level, which in turn is less than the federal $1.5 million inheritance tax level, so no inheritance taxes are due on the estate.

Anonymous 1

My uncle died and left money to my parents who decided to pass it along to the three kids. Because they didn't want to pay tax on the gifting or have us burdened with it, they gave us each $33,000 in installments. As a WTR I chose to put the majority in escrow and a fair chunk in a mutual fund that has no military, nuclear, or petroleum investments—but in my brother's name. He was OK with this and still is, as he makes very little income and so does not have to pay tax on any interest income. I guess I'm lucky in that way.

One form of support I have is the Conscience and Military Tax Campaign, http://www.nwtrcc.org/cmtcea. They have an escrow account in which I've deposited money. The account does not bear my Social Security number, and therefore is harder to trace.

I think it is easy to feel guilt or shame as a WTR when talking about personal wealth with other WTRs, since many in this movement tend to "live simply" or to at least attempt to do so. I like the approach of one WTR who talks about trying to make as much money as possible without giving the IRS a dime.

Anonymous 2

I asked my father not to include me in his will, because those assets, once in my name, would be subject to scrutiny and seizure by the IRS. At my brother's suggestion, my father stated in his will that he was not leaving me any part of his estate, and then proceeded to divide the estate into seven portions (I have six siblings), with one of my siblings receiving two of those seven portions. The unwritten understanding was that it would be passed on to me through that sibling.

What actually happened was that my father's long illness and consequent adjustments to his assets meant there was no estate to divide up.

In addition, I was to receive money from my father's life insurance policy, which I refused because I had to sign a statement saying I had no outstanding debts to the IRS. Having refused that disbursement, it was divided evenly among my six siblings, who then passed a share on to me.

I put that life insurance money into a loan fund run by Equity Trust, as a one year interest-free loan. After the year was up I paid some debts and used the rest of the money to start a business, so that I could be self employed.

My central objectives in being a war tax resister are 1) to pay as little as possible to the federal government, particularly the general fund, which pays for military violence and a generally oppressive foreign policy; 2) to redirect what would have been paid in taxes to groups doing good (nonviolent) work; and 3) to not cooperate with any subsequent collections by the federal government of taxes, penalties and interest accrued by me because of my resistance.

Some years this meant keeping my income below a taxable level and, from the beginning, choosing not to acquire substantial assets which could be seized by the government. Recently, this has also meant working for myself as an independent contractor (handyman/carpenter) and avoiding, when possible, regular jobs with W-2s, from which I have had a small amount seized.

All of this is to say, I am trying to leave no tracks with regard to money or assets received. Having a supportive family has made that task easier. My siblings were willing to facilitate the arrangements, and have been supportive of my decisions with regard to lifestyle.

OVER 65 AND LIVING WELL

FINDING ALTERNATIVE HOUSING & COMMUNITY

By Karl Meyer

At age 78 (in 2015), my living situation, income, and health situations are excellent, secure and stable. I have Social Security retirement benefits of $943 net, per month.

I have good medical care and prescription drug coverage under a Medicare Plus HMO plan, with a premium of about $100 a month withheld from my Social Security check. My health is excellent, due to good genes and a healthy diet and lifestyle.

My economic picture is secure, with plenty of surplus income potential, and the IRS poses no known threat to me at all. This is due to years of unswerving commitment to nonpayment of any taxes for war, understanding the basics of how the IRS assessment and collection system actually works, and practical foresight and planning on how to make war tax refusal work within a viable income and lifestyle plan. The elements of this plan include the following:

> A. A relatively simple and frugal way of life that is not ascetic, but relies on conservation, re-use, recycling, and low cost solutions to economic issues.
>
> B. Living in community, with sharing of low-cost housing, food and transportation solutions. Eighteen years ago, at the age of 60, I began an intentional community in which I now live with twenty-two others, mostly young people. We own six low-cost houses, only one of which is commercially mortgaged. My partner, Pam Beziat (also a war tax refuser), and I financed and restored five of these houses, all of which were vacant and needing substantial work when we acquired them. Our shared costs for all housing and utility expense are between $100 and $200 per member, per month. We are in the process of transferring ownership of two of the houses to young residents in exchange for their regular monthly payments, and two are already owned by young residents. In our urban gardens we raise copious amounts of organic fruits and vegetables, and get additional food from quality dumpster diving. We use bicycles and low cost, secondhand vehicles for transportation. A frugal person could easily get by in our community on an income as low as $2,500 per year. As a self-employed carpenter I can readily earn any supplemental income I want. At present I

work about three months per year to earn income for savings, investment in our community, and our work for peace and social justice, as well as for recreation and personal needs and goals.

I do not file income tax returns or pay any federal income taxes. The houses where Pam and I live are owned by a co-operative corporation, which is structured to have no taxable income, because income is basically matched to expenses.

Two of us are in the 70s age bracket. We keep the community balanced with younger people, including young searchers just out of college. It's my hope and plan that in a few years, when I may not remain as self-sufficient and self-reliant as I am now, the younger people will help me to continue with an active and useful contribution to broader community life.

I have a carefully thought out living will, and a plan to exit gracefully at a time of my own choosing—if I have that opportunity—when I feel that the time has come to return to the soil from which we spring and come back in the life of bacteria, worms, plants and animals.

SUMMARY

We live in a culture where there is much emphasis on planning for your future by establishing a pension plan and retirement accounts as early as possible. Younger people looking at war tax resistance are often fearful about economic security over the long haul.

This booklet is based on the experiences of many WTRs who began resisting at a young age and found themselves figuring things out along the way. Some chose to live on a low income and keep themselves out of the system as much as possible; others make a taxable income, file, and refuse to pay some or all of their taxes to the federal government. In all cases, concerns about health care and income security grew as the decades added up.

Most resisters who persevere find that being in it for the long haul is not impossible and has many rewards, including, of course, feeling pretty good about keeping as much money away from war as they can. Relationships with family, friends, or an informal or intentional community are often strengthened as plans are worked out together.

The Affordable Care Act (ACA) forced a major update of this booklet. Health insurance is more generally available and affordable than at the time of our first edition in 2006. In some cases the ACA seems to benefit war tax resisters who are looking for legal ways to lower their income. For other resisters being forced to file or to file jointly as a couple has forced adjustments to their war tax resistance. And still others find that they still cannot afford healthcare and look for other alternatives.

Use the information in this booklet as a guide, but note that government programs and regulations may change, and many are so complicated that we could only give a general overview. Also, this booklet has addressed some of the federal regulations, but many of the areas covered also vary state-to-state, e.g., there might be state taxes on inheritances, the Affordable Care Act is not the same in all 50 states, etc. Verify all the facts and figures related to your own situation.

Please write to us if you have information to add, know about something we didn't cover, or have a story to tell that will help others.

RESOURCES

GOVERNMENT HEALTH AND INCOME SECURITY

Affordable Care Act Marketplace. Get started at www.healthcare.gov, which will link to state exchanges where available.

Affordable Care Act (ACA) Tax Provisions, www.irs.gov/Affordable-Care-Act

Publication 5187, Health Care Law: What's New for Individuals & Families, www.irs.gov/pub/irs-pdf/p5187.pdf

IRS *Form 8965, Health Coverage Exemptions,* www.irs.gov/pub/irs-pdf/f8965.pdf

IRS *Form 8962, Premium Tax Credit* (PTC), www.irs.gov/pub/irs-pdf/f8962.pdf

Medicare, www.medicare.gov, For general Medicare information, ordering Medicare booklets, and information about health plans, contact 1-800-MEDICARE 24 hours a day, 7 days a week for assistance.

Medicaid – www.medicaid.gov. Basic information about Medicaid and how to apply.

IRS *Publication 502, Medical and Dental Expenses*, including a section on Health Insurance Costs for Self-Employed Persons for use in preparing tax returns. www.irs.gov/pub/irs-pdf/p502.pdf

Health Savings Accounts: **IRS *Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans***, www.irs.gov/pub/irs-pdf/p969.pdf. Also see information on the "Don't Owe Nothin' Method" website at sniggle.net/Experiment, use the search tool for HSAs and Obamacare.

Social Security Administration, www.ssa.gov. For full information about Social Security and SSI. A useful benefits calculator and retirement planner is on the website: (800) 772-1213.

IRS *Publication 559: Survivors, Executors, and Administrators*.

Publication 950: Introduction to Estate and Gift Taxes

Too Good to be True Trusts? Available free from the IRS, (800) 829-FORM, or on the internet: www.irs.gov

Resources continued on next page

HEALTH INSURANCE THROUGH ASSOCIATIONS (SAMPLE LIST)

For group rate health insurance or dental, vision care for members. Compare prices and benefits with the Marketplace.

Freelancers Union, (800) 856-9981, Email: help@freelancersunion.org, www.freelancersunion.org

Graphic Artists Guild, (212) 791-3400, www.gag.org

National Association of the Self-Employed (NASE), www.nase.org, (800) 649-6273, PO Box 241, Annapolis Junction, MD 20701-0241

National Writers Union, Group dental and vision plans. 256 West 38th Street, #703, New York, NY 10018, (212) 254-0279, nwu@nwu.org, www.nwu.org

United States Federation of Small Business, Group dental and vision plans. (800) 637-3331 or see their Insurance Clearinghouse: www.usfsb.com

MEDICAL TOURISM

Search the internet on "medical tourism" and many options will pop up. Be sure to investigate thoroughly before deciding. Here are a few links to get you started:

International Medical Travel Journal (IMTJ), www.imtj.com, International Medical Travel Journal, Intuition Communication Ltd, 3 Churchgates, Wilderness, Berkhamsted, Herts HP4 2UB, United Kingdom

Cira Garcia Central Clinic, www.cirag.cu, or write Calle 20 No. 4101 esq. Ave 41, Miramar Playa, Ciudad de La Habana, Cuba, (53) (7) 204 2811, publicas@cirag.cu.

Patients Beyond Borders, PO Box 17057, Chapel Hill, NC 27516 USA, (919) 924-0636, www.patientsbeyondborders.com

"*Should You Have Surgery Abroad?*" AARP *The Magazine*, Includes a link to a price comparison chart (11/2014), www.aarp.org/health/conditions-treatments/info-2014/medical-tourism-surgery-abroad.html

Center for Disease Control, www.cdc.gov/features/medicaltourism

INCOME SECURITY

NOLO Law for All, Nolo Press, 950 Parker Street, Berkeley, CA 94710-9867, www.nolo.com. Website articles, publications and software offering legal information and do it yourself guidance for creating wills, trusts, estate planning, and much more. For those dealing with the IRS, and excellent resource is ***Stand Up to the* IRS** by Frederick W. Daily. 456 pp, 12th edition, January 2015.

War tax resistance alternative funds, like the CMTC Escrow Account mentioned on p. 24, www.nwtrcc.org/redirection.php

War Tax Resisters Penalty Fund, www.wtrpf.org, mutual support fund for war tax resisters. See the webpage or write WTRPF, 1036 N. Niles Ave, South Bend, IN 46617

ALTERNATIVES AND COMMUNITY LIVING

Federation of Egalitarian Communities, www.thefec.org

Fellowship for Intentional Community, RR 1 Box 156, Rutledge MO 63563-9720, (800) 462-8240, www.ic.org. Publishes in online and print formats a Communities Directory, which includes a new section on retirement communities.

Catholic Worker Movement, with over 236 communities worldwide. A directory is online at www.catholicworker.org. To subscribe to the newspaper, contact *The Catholic Worker*, 36 East First Street, New York, NY 10003, (212) 777-9617.

Ithaca Health Fund Model grassroots program to provide health care for all. Currently runs the Ithaca Free Clinic, the Ithaca Health Fund, and Community Health Education. www.ithacahealth.org

AVAILABLE FROM NWTRCC

Practical War Tax Resistance #1: Controlling Federal Tax Withholding

Practical #2: To File or Not to File and Income Tax Return

Practical #3: How to Resist Collection, or Make the Most of Collection When it Occurs

Practical #4: Self Employment: An Effective Path for War Tax Refusal

Practical #5: Low Income/Simple Living as War Tax Resistance

Practical #6: Organizational War Tax Resistance

Single copies #1-3 $.75 each; #4-6 $1.00 each; Bulk rates available from NWTRCC. All Practicals can be read or downloaded for free from the publications page of the NWTRCC website.

War Tax Resistance: A Guide to Withholding Your Support from the Military, a comprehensive book on the subject. Published by War Resisters League, 5th Edition, March 2003 with annual update, 144 pages. ($10 postpaid)

War Tax Resisters and the IRS—a brief outline of WTR motivations, methods and consequences. ($2.50 each)

War Tax Resistance Network, regional listings of contacts, counselors, activists, and support groups. Free

For a full and updated resource list, please see our website or call the number below for a copy.

The National War Tax Resistance Coordinating Committee (NWTRCC), is a coalition of local, regional, and national groups supportive of war tax resistance.

Additional copies of this booklet are available for $1.00 each.

NATIONAL WAR TAX RESISTANCE COORDINATING COMMITTEE
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Local Contact:

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