

# FRIDAY ALERT



**Alliance for Retired Americans**

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## President Obama Previews Retirement Plan Changes He Will Submit to Congress

On Monday, White House officials previewed a set of [changes](#) that President **Obama** will propose to employer-sponsored retirement plans. Obama's plan contains several legislative components that will be part of the 2017 budget to be submitted to Congress in February including:

- Offering tax credits to small businesses that automatically enroll employees in a new 401(k)-style retirement plan — or requiring them to offer payroll deductions to an Individual Retirement Account if they don't offer a company plan.
- Requiring companies with existing plans to offer them to long-term, part-time workers who work 500 hours a year for three years; and
- Making it easier for companies to pool their retirement plans to bring down expenses through multiple employer plans.

The President will also propose experimenting with more portable retirement plans, run by states and non-profits, which would accommodate workers who move from job to job or who have more than one employer at a time.

“We applaud President Obama any time he addresses retirement security in a positive way,” said Alliance President **Robert Roach, Jr.** “However, these changes should not by any means be viewed as a replacement for defined benefit pension plans or expanding Social Security.”

The National Institute on Retirement Security found last year that the median retirement account balance for all working-age Americans is \$2,500 — a number that increases to just \$14,500 for those nearing retirement.

Obama's proposals would require action by a Republican-controlled Congress in an election year session, but he has expressed optimism that they can pass.

## Silver Tsunami: 25 Million More Medicare Beneficiaries by 2036

The Congressional Budget Office (CBO) [projects](#) that Medicare enrollment will grow by more than 30 percent over the next ten years. In fact the population of seniors in the United States will grow from 55 million today to more than 80 million by 2036. The huge growth in the senior population is called the Silver Tsunami, and that term is becoming popular on social media.

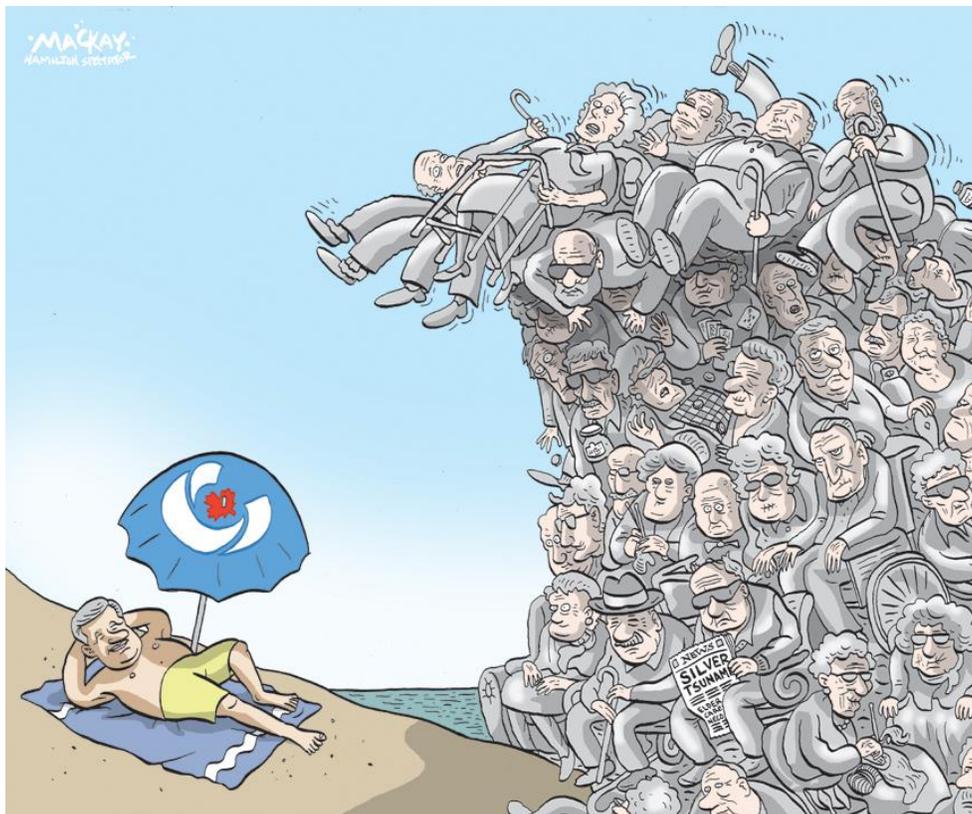
CBO included the Medicare enrollment numbers in a report released earlier this week. The numbers will clearly mean that major political and economic changes are in store for the country.

Seniors have been an important voting bloc for years, and the retirement of baby boomers is making that truer than ever. The new numbers show that seniors will become an even greater force in future elections.

[POLITICO Pulse](#) notes that the report also contains important data concerning the Medicare Trust Fund, faster growth of Medicaid, and revised Obamacare enrollment estimates.

Taking the Silver Tsunami into account, CBO calculates that Medicare's hospital insurance trust fund will be exhausted in 2026. That's four years earlier than the program's trustees [projected](#) last summer.

“The Alliance is working to protect and preserve Medicare,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “We can do that - and limit added out-of-pocket costs to seniors - if we give Medicare the power to negotiate prescription drug prices.”



Cartoon by Graeme MacKay, *The Hamilton Spectator*

The report notes that the number of Americans on Medicaid is also anticipated to grow faster. CBO previously projected that 11.5 million Americans would enroll in Medicaid through the Affordable Care Act by 2025. Its new projection is 14.5 million. In dollars, Medicaid spending will increase by 8.8% year-over-year, to \$31 billion in 2016.

About 13 million Americans will enroll in Obamacare through the Affordable Care Act this year. Eleven million of that total will receive subsidies. That's much lower than earlier CBO estimates. However, it is higher than the U.S. Department of Health and Human Services' target of covering about 10 million people in the exchanges at the end of 2016. Many policy experts believe that the new estimate is likely based on more of the 19 holdout states accepting the ACA's Medicaid expansion.

## ***A Young Person's Guide to Social Security Provides Broad Overview of the Program***

The Economic Policy Institute and the National Academy of Social Insurance have released a new publication, [\*A Young Person's Guide to Social Security\*](#). The report explains how Social Security is funded while offering a historical context. One chart depicts Social Security payments rising from 1959 to 2014 as the poverty rate declines dramatically for seniors. It also shows how important Social Security was during the Great Recession of 2007, never missing a payment as the rest of the economy struggled dramatically.

"The report wasn't specifically written for seniors, but it is useful for anyone looking for a broad, easy-to-understand overview of Social Security," said **Richard Fiesta**, Executive Director of the Alliance. "We encourage you to consider sharing it with your family and friends."

## **Last Day to Get Discounted Hotel Rate for Western Regional Conference**

The Alliance's quadrennial Western Regional Conference will be held March 8 – 9, 2016 at the Tropicana Hotel, Las Vegas, Nevada. More information is available [online](#). Please make your hotel reservation TODAY - January 29, 2016 - in order to get the discounted rate.

Please note: The dates for the quadrennial Southern Regional Conference have been changed. The [Southern](#) Regional conference will be held March 29 – 30, 2016 at the Buena Vista Palace Hotel in Orlando, Florida.

During both conferences we will elect four regional board members and prepare for the upcoming 2016 elections. Questions? Contact **Joni Jones** at [jjones@retiredamericans.org](mailto:jjones@retiredamericans.org) or 202-637-5377.