

FRIDAY ALERT



Alliance for Retired Americans

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October 23, 2015

Spanish version: www.alianzadejubilados.org

Congressional Democrats Draw Line in the Sand over Social Security, Medicare Cuts

The November 3 deadline for raising the federal debt limit is fast approaching, bringing with it the risk of a U.S. credit default if Congress fails to act. Democrats in Congress have drawn an early line in the sand, saying they will reject any effort by Republicans to cut earned Social Security and Medicare benefits as part of this fall's budget talks, according to *Politico* and a source familiar with the [discussions](#). This means that Republican leaders in the U.S. House will likely have to rely on Democratic votes to increase the debt limit without any policy concessions.

“We’re relieved to see our allies in Congress take a stand for protecting Social Security and Medicare,” said Alliance President **Robert Roach, Jr.** “Congress shouldn’t be using a national credit default as blackmail in an effort to cut programs that are important to seniors.”

A coalition of conservatives that includes most House Republicans, the Republican Study Committee, on Tuesday outlined conditions it would demand that President **Obama** meet. These include \$3.8 trillion in savings, mainly from programs like Medicare and Medicaid, and a balanced-budget constitutional amendment, which could not win congressional approval without the leverage of a debt crisis. Due to party divisions, that is unlikely to come up soon for a House vote.

On Wednesday, the House passed legislation, 235-194, by Rep. **Tom McClintock** (R-CA) that would require the government to pay its creditors and Social Security beneficiaries first and exempt those payments from the debt limit if the government runs out of cash. The idea is to preserve the “full faith and credit” of the government, even if there is a fiscal standoff. White House officials promise that President Obama would veto the bill, which Democrats like Sen. **Harry Reid** (NV) have dubbed the “Pay China First Act,” since debt payments would get preference over other obligations like salaries for federal workers and the military, Medicare payments to providers, and medical care for veterans and the poor.

Paul Ryan, Longtime Medicare Opponent, Likely To Be Next House Speaker

The talks in the House about raising the debt limit are being complicated by turmoil over who will be the next Speaker. On Tuesday, House Ways and Means Committee Chairman [Paul Ryan](#) announced that he would serve as Speaker if he could get the support of the full Republican Caucus and other conditions are met. Rep. Ryan has a long been a supporter of privatizing Medicare. While chairman of the House Budget committee, he authored the Republican budget resolution that would turn Medicare into a voucher program, reducing benefits for millions.

He has also favored Social Security privatization and in 2005 sponsored a bill that would have depleted the program’s trust fund and left retiree benefits vulnerable to the whims of Wall Street.

“The last thing this country needs is further development of Paul Ryan’s plans to cut Social Security and Medicare by making him Speaker,” said Alliance Secretary-Treasurer **Joseph Peters, Jr.**

CBPP: Lack of Social Security COLA Will Cause \$5 Billion Loss in Revenue

In addition to causing the Medicare Part B premiums and deductibles to increase by more than 50% in 2016, the recent announcement that there will not be a Social Security Cost-of-Living Adjustment next year also means that the “taxable maximum” wage will be [frozen](#) at current levels. If the maximum were allowed to rise as it does when the COLA goes up, the maximum income at which payroll taxes can be collected would rise from \$118,500 to \$122,700. Instead, the Social Security trust fund will forego about \$5 billion in revenue next year, according to the Center on Budget and Policy Priorities (CBPP).

The Alliance has produced a new [fact sheet](#) summarizing the effects the lack of a Social Security COLA would have on Medicare beneficiaries. If you have not done so already, click [here](#) to email your members of Congress and tell them to support the Medicare Premium Fairness Act of 2015 (S. 2148 and H.R. 3696) introduced by Sen. **Ron Wyden** (OR) and Rep. **Dina Titus** (NV), which would prevent massive Medicare increases to premiums and deductibles in 2016.

Social Security a 2016 Campaign Issue

Kenneth Walsh of *U.S. News & World Report* [writes](#) that Social Security is emerging as a campaign issue in 2016 “that Democrats could use to embarrass majority Republicans in Congress and put the eventual GOP presidential nominee on the defensive.” Walsh notes the 0% cost-of-living increase for Social Security recipients next year and writes that there is a growing movement, especially among Democrats, to pass legislation that would provide an increase as soon as possible. President Obama, many fellow Democrats in Congress and Democratic presidential front-runner **Hillary Clinton** are urging quick action to provide that boost.



California Alliance for Retired Americans (CARA) Convention Draws Hundreds

CARA held its 12th Annual Convention and birthday party for Medicare and Social Security on Monday and Tuesday in Ontario, California, drawing more than 250 delegates and visitors. **Richard Fiesta**, Executive Director of the national Alliance, provided a coast-to-coast update and highlighted the Alliance’s work to stop the Trans-Pacific Partnership trade deal. He joined a long list of distinguished speakers. The American Postal Workers Union transported attendees to Staples to join them in a demonstration against privatization of the post office on Tuesday.

CARA’s Board terms are staggered. This year, **Louis Duran** was elected Treasurer, 20 vice presidents were elected or appointed, and 3 at-large board members were installed. CARA is also [making available](#) additional election results, pictures of the activities, and copies of the materials distributed by some of the speakers, as well as the full text of the resolutions.

Bill Dodds, Friend to Scores of Alliance Members, Passes Away

William (Bill) Dodds, 93, of Maryland died on October 12. A dedicated Alliance activist since its launch in 2001, he was the Political Director in the United Auto Workers' Washington, DC office in the 1960's and 70's. He also worked for the Democratic National Committee, and was in charge of seniors outreach for the **Jimmy Carter** presidential campaign, working out of the Watergate. Later, he was a volunteer at the National Council of Senior Citizens.

"Bill was a great mentor and friend to us all at the Alliance," said Mr. Fiesta. "He did a lot for the labor movement, and we will miss his warmth and wonderful sense of humor." A wake in celebration of Bill's life will be held at the Harrington Hotel, 432 11th St. NW from 5-7 pm on Saturday, November 14th. All are welcome, but please RSVP by November 9th to Bill's son Bob at dodds3973@gmail.com in order to facilitate planning. Dress is casual. The event is a celebration of Bill's life, not a memorial to his passing. Please bring your stories about Bill!

