

FRIDAY ALERT



Alliance for Retired Americans

815 16th Street, NW, Fourth Floor • Washington, DC 20006 • 202.637.5399

www.retiredamericans.org • aracommunications@retiredamericans.org

Spanish version: www.alianzadejubilados.org

February 27, 2015

Alliance Joins House Members to Protect Social Security Disability Insurance

On Wednesday, the Alliance joined Democratic Representatives **Xavier Becerra** (CA), **Sander Levin** (MI), **Jan Schakowsky** (IL), and **Doris Matsui** (CA), and allies in speaking out on a telepress conference call focused on protecting Social Security Disability Insurance (SSDI), which has come under attack by House Republicans since the new Congress convened. The call came in conjunction with a hearing by the House Ways and Means Committee.

House Republicans changed House rules in January to block Social Security from using the \$2.8 trillion in its reserves to prevent a 20 percent benefit cut for the nation's most disabled citizens late in 2016, unless also accompanied by benefit cuts or tax increases. In the past, periodic rebalancing of the Old Age and Survivors Insurance (OASI) and DI trust funds – by reallocating the share of payroll taxes directed to each fund – has served as routine “housekeeping” to keep both funds on sound footing amid demographic shifts, and it has occurred 11 times in the program's history.

Richard Fiesta, Executive Director of the Alliance, submitted an official statement to the committee, declaring, “Our members are united in opposition to efforts that pit one group of beneficiaries against another and are committed to fighting to ensure that these earned benefits are there for all Americans when they need them.”

“Right to Work” for Less Legislation Surfaces in Wisconsin, Passes State Senate

After drastically limiting the power of public workers in 2011, the Wisconsin State Senate passed “Right to Work” legislation yesterday that would bar employees who work under union-negotiated contracts from being required to join their unions or pay them dues. The state assembly could pass this legislation as early as next week, sending it to Governor **Scott Walker** (R) for likely approval.

The facts from states that have passed right to work laws show that it doesn't create jobs; workers make \$5,000 less than their counterparts in states that aren't right to work; unemployment is worse; and the wage gap for women is even higher. The Wisconsin Senate called a last minute, “extraordinary session” in an attempt to ram through the bill before labor supporters could react. Activists protested in the State Senate Gallery in Madison and will continue to protest at the State Capitol as the State Assembly considers the legislation.

Alliance Secretary-Treasurer **Ruben Burks** called the legislative maneuvering “disgraceful” and said, “When politicians go after your wages during your working years, they are also affecting your finances during your retirement.” Read more at <http://tinyurl.com/ocx6tc3>.

White House, Department of Labor Officials Act to Stop Bad Financial Advice

On Monday, White House and U.S. Department of Labor officials proposed new rules preventing financial advisors from giving advice that allows them to profit at the expense of seniors and

working families. These rules require that financial advisors be held to a “fiduciary standard,” putting the best interests of their clients before all else. While many financial advisors place their clients’ best interests first, some have taken backdoor payments for recommending that clients invest money in certain funds, even if those funds produce a lower yield than others. These rules would crack down on these backdoor payments and help reduce over \$17 billion in annual losses that occur because of these conflicts of interest.

“This is a big step forward,” said **Barbara J. Easterling**, President of the Alliance. “With these new rules, we can be more certain that the savings we have put away for retirement are being invested with our best interests in mind.” Read the White House’s detailed explanation at: <http://tinyurl.com/ptpdxh9>

The Affordable Care Act has Reduced Prescription Drug Costs by Over \$15 Billion

The Affordable Care Act has enabled seniors to save over \$15 billion on prescription drug costs since President **Obama** signed the bill in 2010. On average, this means that seniors have saved roughly \$1,600 per person on their medications. The Affordable Care Act fills the “doughnut hole” – a gap in prescription drug coverage that many seniors face - through rebates and discounts for what Medicare will not cover.

“Increasingly, we are seeing evidence of what we knew since the beginning: that the Affordable Care Act saves seniors billions of dollars on their prescriptions,” said Ms. Easterling. Read more from *The Hill* at <http://tinyurl.com/lb4ryvn>.

In a statement to the press, **Sylvia Mathews Burwell**, Secretary of the U.S. Department of Health and Human Services, also noted that 40 million people have taken advantage of Medicare’s free preventive health care services, which will save the federal government and seniors billions of dollars over the next several decades while ensuring that Americans live longer and healthier lives.

Income Inequality Threatens the American Dream

The “American Dream,” the belief that we can rise to better circumstances in life regardless of how we were born, weaves itself into almost every narrative of our nation’s history. According to a recent essay published by the Brookings Institution, however, income inequality continues to put that dream at risk. Real incomes for the top 1% of households have tripled since 1979, while those in the middle of the income distribution have seen their income increase by only 36% during that time. In addition, the share of national income flowing to workers dropped from 63% in 2000 to 57% in 2013. Also notable: the top 1% takes twice as large a share of national wealth as national income. The intense divide makes it more difficult for seniors to achieve financial security in retirement. More from BuzzFeed at <http://tinyurl.com/pdpvamo>.

Medicare Turns 50: Hospital Care as a Right

“Medicare begins tomorrow. Tomorrow, for the first time, nearly every older American will receive hospital care—not as an act of charity, but as the insured right of a senior citizen.” - President **Lyndon B. Johnson**, June 30, 1966, the day before the launch of Medicare