

# FRIDAY ALERT



**Alliance for Retired Americans**

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Spanish version: [www.alianzadejubilados.org](http://www.alianzadejubilados.org)

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## Trump Misleads about Social Security Fraud

**Donald Trump** is misleading people about the level of Social Security fraud. At the Republican presidential debate in Greenville, South Carolina, candidate Trump [said](#), “Thousands and thousands of people’ over the age of 106 are receiving Social Security benefits, even though they don't exist.”

A report from the Social Security Administration's inspector general last year did find that there were an estimated 6.5 million Social Security number holders age 112 or older who are not listed as deceased but nearly all of these 6.5 million Social Security number holders weren't receiving benefits.

“As a leading candidate for the Republican nomination, Mr. Trump has a responsibility to get the facts right,” said Alliance President **Robert Roach, Jr.** “His declaration is exactly the kind of misstatement that undermines the public's support for the Social Security program.”

Social Security lifts [21 million](#) Americans out of poverty. It has made a dignified retirement possible for the broad middle class. Before the creation of Social Security, poverty among older Americans was pervasive. In 1934, President **Franklin Delano Roosevelt's** Committee on Economic Security estimated that at least one-half of all Americans aged 65 and older were poor. Social Security has never missed a payment; it has paid every dollar of earned benefits, on time and in full.

Mr. Roach continued, “We need to expand our earned Social Security benefits. Any argument that leads the public to believe the program is wasteful and inefficient is dangerous. Social Security fraud is rare, and the public should know the truth.”

## Millionaires Already Done Paying into Social Security for 2016

According to the [Center for Economic and Policy Research](#), Congress just gave a valentine to those making \$1,000,000 or more a year - by way of a tax break on earnings subject to the Social Security tax. Since the taxes that fund Social Security only apply to the first \$118,500 of wages in 2016, income above the cap is not subject to the tax. That means that the vast majority of the population - those making under \$118,500 a year - pay the 6.2 percent Social Security payroll tax for the entire year, but millionaires don't. It also means that millionaires have a lower effective tax rate.

Practically speaking, individuals making \$1,000,000 only had to pay into Social Security through February 13th. On the 14th of February— Valentine's Day — their income was no longer subject

to the payroll tax, and millionaires' paychecks for the rest of the year will be heftier.

## This Week, Millionaires Stop Paying Into Social Security for the Rest of 2016



It's Time for the Wealthiest to Pay  
Their Fair Share. Scrap the Cap!

SOCIAL  
SECURITY  
WORKS.

“As earnings become more concentrated to a small percentage of wealthier Americans, less money goes into the Social Security trust fund,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “We must scrap the cap so that millionaires pay their fair share.”

### Top 5 Threats to Retirement: Could Your Children be Your Biggest Problem?

In looking at the top financial pitfalls that can affect retirement, [USA Today](#) noted a surprising finding: those who provide help to their grown children are far less likely to retire on time than those whose adult children are financially independent.

Almost [20% of millennials](#) are so called “boomerang children,” a moniker given because they return to live with their parents after graduating college. One study has found huge discrepancies between retirement rates of families with and without boomerang children. Baby boomers who choose to support their adult children have only a 21% retirement rate, compared to 52% for those who don't.

Other risk factors for timely retirement are related to health and high medical bills. Both taking care of aging parents and an emergency medical situation of one's own can lead to crippling debt. In fact, the leading cause of bankruptcy in the United States is from medical bills. Losing a working spouse who does not have life insurance is another financial menace.

Finally, retirement scams are a constant threat to baby boomers' nest eggs. “702 accounts,” which are life insurance policies marketed as retirement accounts, are one of the more common scams, according to the Financial Industry Regulatory Authority (FINRA), a non-profit watchdog.

“Being aware of these most widespread financial risks can protect your retirement,” said **Richard Fiesta**, Executive Director of the Alliance. “Of course, having a defined-benefit pension plan is even better.”

### **Regional Conferences: March 7 is Deadline for Discounted Hotel Rate in Orlando**

The Alliance’s quadrennial [Southern](#) Regional conference will be held March 29–30, 2016 at the Buena Vista Palace Hotel in Orlando, Florida. Please reserve your room by March 7 to get the discounted hotel rate.

The quadrennial [Western](#) Regional Conference will be held March 8–9, 2016 at the Tropicana Hotel, Las Vegas, Nevada and the quadrennial [Midwest](#) Regional Conference will be held May 4-5, 2016 at the MGM Grand Hotel in Detroit, Michigan.

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