

FRIDAY ALERT



Alliance for Retired Americans

815 16th Street, NW, Fourth Floor • Washington, DC 20006 • 202.637.5399
www.retiredamericans.org • aracommunications@retiredamericans.org

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Spanish version: www.alianzadejubilados.org

End of Verizon Strike: Big Gains for Union Workers, Retirees

Verizon employees returned to work on Wednesday after a 45-day strike involving nearly 40,000 workers. Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) reached a tentative [agreement](#) with Verizon Wireless that protects workers' pensions, creates a contract for retail wireless workers and prevents outsourcing.

In the final negotiation, Verizon withdrew several proposed cuts to pensions and disability benefits, while re-establishing health care benefits that had been terminated on May 1. Defined benefit pensions, over the course of the four year agreement, will receive three 1% increases.

"The Verizon contract is a victory for hardworking Americans, unions and retirees," said **Robert Roach, Jr.**, President of the Alliance. "This hard-fought battle reminds us what can be achieved when we come together and fight to protect jobs that sustain a family and provide retirement security."

The agreement protects workers' job security and does not allow for Verizon's proposed forced interstate transfers. Employees will not have to move in order to keep their jobs and those affected by call center closures in the Mid-Atlantic region will be offered local jobs by Verizon. Unionized crews in New York State will receive increased assignments, reversing previous major contract initiatives that reduced their workload. The contract also includes 65 newly unionized workers in Verizon Wireless stores with whom Verizon had previously refused to negotiate a fair contract when they formed a union in 2014.

All union members' votes for approval of the new contract will be collected by June 17.

President Obama Supports Expanding Social Security

On Wednesday President **Obama** [announced](#) his support for expanding Social Security and increase benefits for retirees. The announcement is an important addition to the growing national momentum for expansion.

Speaking at a high school in Elkhart, Indiana, the president said that the Social Security program is more necessary than ever to support an aging population. During his speech President Obama said, "...it's time we finally made Social Security more generous and increased its benefits so today's retirees and future generations get the dignified retirement that they have earned." His appeal for expansion calls for "the wealthiest Americans to contribute a little bit more" so that seniors can continue to collect their hard-earned benefits.

“The Alliance has advocated the expansion of Social Security benefits for years and we are pleased that the President agrees with us,” said **Richard Fiesta**, Executive Director of the Alliance in a [statement](#). “Forty percent of Americans over the age of 50 say that Social Security will be their primary source of retirement income, and the current level of benefits are not keeping pace. It’s time for Congress to pass one of the many bills that has already been introduced to make a more secure retirement for current and future retirees.”



Taking Social Security before Full Retirement Age is a Necessity for Many

More than 4 in 10 Americans age 50 and over now say they'll draw from their Social Security benefits [before they reach the full retirement age](#) because they can't afford to wait. For many, even if they want to work there are no jobs.

“Drawing early is a necessity for some people, but unfortunately it means that they will receive less from Social Security each year for the rest of their lives,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “It’s another reason we need to expand Social Security and improve its solvency.”

The Associated Press-NORC Center for Public Affairs Research poll released last week found that 44 percent report Social Security will be their biggest source of income during retirement. Many low income Americans don't believe they will ever retire, due to concern that their savings won't be sufficient.

Full benefits begin at 65 or 66 for those born between 1943 and 1954. Retirees can begin collecting as early as age 62, but with benefits reduced by up to 30%, according to the Social Security Administration. Benefits increase considerably for those who wait, rising around 8 percent more for each additional year past age 66 and up to 70, when benefits max out.

The average age at which people expect to start or have started collecting Social Security benefits is 64. Just 9 percent said they would wait until after they turn 70.

The retirement age has been rising in recent years, particularly for women. The average American retires at age 64 for men and age 62 for women, according to the Center for Retirement Research at Boston College.

Poll: Americans Unprepared to Pay for Long-Term Care

An Associated Press-NORC Center for Public Affairs Research survey [found](#) many Americans are not confident they can afford long-term care and mistakenly rely on Medicare to foot the bill.

The U.S. Administration on Aging estimates 70% of people turning 65 will require assistance with their daily activities, but 4 in 10 respondents do not think they will need this care. The number of Americans who require these services far exceeds the percentage of Americans who have saved for these expenses. The poll found that a third of Americans 40 and older have done no planning for their own long-term care needs, such as setting aside money to pay for a home aide, for help with daily activities or for a room in a nursing home.

These anticipated costs currently range from \$17,680 to as high as \$92,000 annually. The high costs are not covered by Medicare, despite the large demand for these services by millions of Americans.

The Alliance has passed a resolution calling for the expansion of Medicare to include long-term care and address these unmet needs.