

FRIDAY ALERT



Alliance for Retired Americans

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

www.retiredamericans.org

Spanish version: www.alianzadejubilados.org

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Join Us Saturday for Working People's Day of Action

On February 26th, the Supreme Court will hear arguments on Janus v. AFSCME, a case funded by wealthy interests to further rig the system against working people. These are the same extremist voices that actively work to suppress voter turnout, roll back economic protections, and gut civil and labor rights laws.

Please join the Alliance, along with our AFSCME and AFL-CIO allies, at the Working People's Day of Action before the arguments, this Saturday, February 24.

[Click to find an event near you and to RSVP.](#)

Fifty years ago, **Dr. Martin Luther King, Jr.** joined striking sanitation workers in Memphis, Tennessee, as they fought for the freedom to join together in a strong union and be treated with dignity and respect at work. They carried signs that boldly proclaimed: "I AM A MAN."

**WORKING
PEOPLE'S
DAY OF ACTION**



On the Working People's Day of Action, retirees will join our working brothers and sisters and stand up for the freedom of working people to join together in strong unions and fight for decent and equitable pay for our work, affordable health care, quality schools, vibrant communities and a secure future for us all.

"This case is now upon us. I want to thank Alliance members in advance for their support, before a historic day for the national labor movement at the Supreme Court," said **Robert Roach, Jr.**, President of the Alliance. "The justices could reverse a long-held ruling from 1977 that gave public employee unions the right to collect dues from non-members who derive benefits from negotiations on their behalf. If ever there were a need to speak with a unified voice, it is now."

Opioid Makers Gave \$10 Million to Drug Advocacy Groups, Fueling Epidemic

A recent Senate [investigation](#) found that pharmaceutical corporations have donated \$10 million to advocacy groups in order to help fuel demand for drugs such as OxyContin and Vicodin. The

report comes in the midst of an epidemic that has claimed thousands of American lives.

Led by Sen. **Claire McCaskill** (D-MO), the investigation found that companies selling some of the most lucrative prescription painkillers funneled millions of dollars to advocacy groups that in turn promoted use of the medications. Sen. McCaskill is ranking Democrat on the Senate's Homeland Security committee.



Fourteen nonprofit groups, mostly representing patients with pain and specialists who treat them, received donations from the drugmakers. Information was gathered from Purdue Pharma; Insys Therapeutics; Janssen Pharmaceuticals, owned by Johnson & Johnson; Mylan; and Depomed. Doctors affiliated with those groups received another \$1.6 million.

Sen. McCaskill

“These tactics are exactly why these drug companies are facing so many lawsuits,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “They made the drugs sound safer than they are.”

Bonuses Replacing Raises, to the Detriment of Future Retirees

The rising trend of employers compensating their workers with bonuses rather than salary increases has been identified as a major cause of wage stagnation and has short and long-term implications for workers.

According to [The New York Times](#), over the twenty years, employers have increasingly opted to give employees one-time awards instead of raises that build wages. The trend was accelerated by the intensity of the last recession.

There has been “a continuing dramatic shift in the mix of compensation,” Aon Hewitt, a human resources consulting firm, stated last summer in its annual survey of company pay practices.

In 1991, for example, spending on temporary rewards and bonuses for salaried employees, accounted for an average of 3.1 percent of total compensation budgets. By 2017, one-time payments consumed 12.7 percent of those budgets.

“Pressure to increase productivity and minimize costs,” the report concluded, had pushed employers to forgo raises and rely more on short-term awards “as the primary means of rewarding for performance.”

This practice weakens retirement security since a salary hike will be reflected in both current year’s earnings, as well as the years that follow. A stagnant base salary will affect Social Security income and the amount employers contribute to 401(k)s or pensions.

“The trend has a ripple effect affecting income during one’s working years as well as retirement,” said **Richard Fiesta**, Executive Director of the Alliance.

According to Aon Hewitt, the practice is widespread across all industry sectors, even utilities, health care, not-for-profits and government.

Bank Loans at Hospital Bedsides: Not What the Doctor Ordered

Hospitals are offering “[patient-financing](#)” strategies, cooperating with financial institutions to offer on-the-spot loans to make sure patients pay their bills according to *Kaiser Health News*. Private doctors’ offices and surgery centers have long offered no- or low-interest financing for procedures not covered by insurance, like plastic surgery, or to patients paying on their own. However, promoting bank loans at hospitals, especially in emergency rooms, is raising patient advocates’ concerns.

Often the hospital employees are forceful, pressuring the patient to sign the agreement. Sick patients may feel they have no choice but to sign up for a loan since they need treatment. Also, the cost estimates provided may be far higher than the negotiated rate ultimately paid by most insurers.

The quick loan process usually involves no credit check, meaning patients may be taking on expenses they cannot possibly afford to pay.

The Alliance for Retired Americans is a national organization that advocates for the rights and well-being of over 4.4 million retirees and their families.