FRIDAY ALERT

Alliance for Retired Americans
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Analysts Compare Paul Ryan's Retirement Finances to the Average American's

House Speaker **Paul Ryan's** (R-WI) announcement that he will retire at the end of his term makes him eligible for a pension in two years, when he turns 50. Based on the Federal Employees Retirement System (FERS) payments formula from the Congressional Research Service, Ryan would receive an annual pension payment of $84,930 if he remains on the job until next January.

Only 23 percent of all workers have a pension now, making Social Security all the more important to keep retirees out of poverty. The typical earned Social Security benefit received by a retired worker in the United States was a modest $15,983 in 2015, yet Speaker Ryan fought for years to lower that amount.

"Paul Ryan will be all set with his golden parachute, but he still does not understand what the average working American goes through to meet their family's financial obligations and retire with dignity," said **Robert Roach, Jr.**, President of the Alliance.

"For years Speaker Ryan has worked to make retirement less secure for millions of Americans by inflicting deep cuts to Social Security and Medicare on us, both by privatizing and slashing them."

Speaker Ryan on Capitol Hill in Washington, D.C. on April 11, 2018
(Photo credit: Aaron P. Bernstein, Reuters)

"That is why we will hold President **Trump** to his commitment that he will not cut Social Security, Medicare and Medicaid," President Roach added. "We can help the President do that by voting for candidates who have worked at real jobs and who truly understand working people in November."

Tax Day Reheats Battle over New GOP Tax Law

As the tax filing deadline approached this week, the messaging battle over last year's tax law gained renewed attention. The law's changes will affect the taxes filed next April.

A *Wall St. Journal*/NBC News poll this month found that overall, only 27 percent of Americans believe the new tax law is a good idea, a decrease from 30 percent in January. Thirty-six percent said it was a bad idea.

The new law permanently cuts the corporate rate from 35% to 21%, offering huge tax giveaways to multinational corporations, hedge fund managers, law firms and the Trump Organization.

It included special cuts designed exclusively for the ultra-rich, lowering the top rate from 39.6% to 37%. Nearly half the tax cuts, or 47%, will go to the top 1%. State, local, income and property tax deductions are now limited to $10,000, hitting Americans in states like California, New Jersey and New York especially hard. The law provides small, temporary tax cuts for some in the middle class, until 2025.

"The changes also increase the deficit by at least $1.5 trillion, and increased deficits can lead to pressure to cut Medicare and Medicaid," said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance.

New Committee Hears What Led to Multiemployer Plan Pension Crisis

On Wednesday, the Joint Select Committee on the Solvency of Multi-employer Pension Plans held a hearing on the history of multiemployer pensions and how they came to face their current financial crisis. Multi-employer pension plans are collectively bargained plans maintained by more than one employer, usually within the same or related industries, and a labor union.

The new 16-member bipartisan panel of Congress was created by the Bipartisan Budget Act of 2018 in February to address the solvency of multi-employer pension plans and the Pension Benefit Guarantee Corporation (PBGC), a federal agency that protects private defined benefit plans.

Several multi-employer pension plans are on the brink of insolvency, primarily Central States, which includes the Teamsters. If that occurs, the plan will need assistance from the PBGC, and more than one million pensioners will lose a large portion of their benefits. The crisis could even collapse the PBGC multi-employer pension trust fund, putting the pensions of over 10 million people at risk.

Sen. **Sherrod Brown** (D-OH) sponsored the Butch Lewis Act, which would provide the plans with a government-backed loan to help keep them from going under.

On Wednesday, the committee heard from **Tom Barthold**, Chief of Staff of the Joint Committee on Taxation, and **Ted Goldman**, Senior Pension Fellow at the American Academy of Actuaries. Both witnesses provided background and shed light on the reasons the plans are failing, including: a loss of workers in the industry, the economic recession of 2008, and the dot-com bust. They both made clear that mismanagement did not play a role in the funding troubles.

“We must find a solution to this problem,” said **Richard Fiesta**, Executive Director of the Alliance. “The retirees involved are in serious financial peril and we cannot allow them to lose the benefits they earned through a lifetime of hard work.”

Michigan Alliance, NYSARA hold their Conventions

Michigan Alliance members held their state convention in Warren on Wednesday, drawing 130 attendees. The group elected one new officer, Vice President **Jay McMurran** of the United Steelworkers (USW). UAW retiree **Dick Long** remains President.

Tim Foley, national executive board member and Regional board member for the Midwestern Region, Sub Region 1, swore in the officers. Secretary-Treasurer Peters spoke about the importance of Social Security, Medicare, and Medicaid, joining State Senator **Vincent Gregory** and Professor **David Dullio** of Oakland University in addressing the attendees. Attorney **Mark Brewer** spoke about gerrymandering.

The New York State Alliance for Retired Americans held their biennial convention in Latham on Thursday. Elected to board positions were:

- **Barry Kaufmann** (NYSUT/AFL-CIO) - President;
- **Paul Schuh** (UAW) - Executive Vice President, Labor;
- **Doris Welch** (IBT) - Secretary; and
- **Gary Lanahan** (CSEA) - Treasurer

NYSARA convention attendees in Latham, New York on Thursday

Executive Director Fiesta provided a political update. State Assemblyman **John McDonald** and **Andy Pallotta**, President of the New York State United Teachers, also addressed the group.
