

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

February 15, 2019

Sen. Sanders and Rep. DeFazio Introduce Social Security Expansion Act

On Wednesday morning, **Sen. Bernie Sanders** (VT) and **Rep. Peter DeFazio** (OR) [introduced](#) the Social Security Expansion Act at a press conference on Capitol Hill. They were joined by Senators **Cory Booker** (NJ), **Kirsten Gillibrand** (NY), and **Jeff Merkley** (OR), as well as **J. David Cox, Sr.**, President of the American Federation of Government Employees (AFGE). The legislation was introduced the same week that millionaires stop paying into Social Security for all of 2019, due to the current cap on earnings that are subject to Social Security withholding.



Sen. Bernie Sanders announces his new Social Security Expansion legislation at a press conference on Wednesday

“It is unfair and makes no sense that the wealthiest Americans contribute a lower percentage of their income to Social Security than everyone else,” said **Richard Fiesta**, Executive Director of the Alliance. “This bill will fix this by ‘scrapping the cap’ on all wages in excess of \$250,000 and require that Social Security taxes be paid on unearned income, such as investment income.”

Current and future retirees would see their benefits increase, because the legislation also requires that Social Security annual cost of living adjustments (COLAs) be calculated using the Consumer Price Index for Elderly Consumers (CPI-E). The CPI-E more accurately reflects the rising cost of goods and services used by older Americans, such as health care and housing, than the current formula.

If passed, the legislation would [extend the solvency](#) of Social Security by more than half a century. Many of the cosigners of Sanders’ bill are confirmed presidential candidates or are considering a presidential run, indicating that Social Security expansion will likely be a major Democratic platform issue in 2020.

PBGC Protects Sears Retirees’ and Active Employees’ Pensions

Last Thursday, [a federal bankruptcy judge approved the sale of Sears Holdings Corp. to ESL Investments](#), the hedge fund of **Edward Lampert**, the company’s chairman, largest shareholder, and former CEO. The sale follows an [announcement](#) that the Pension Benefit Guaranty Corp. (PBGC) will assume responsibility for Sears’ pension plans and guarantee benefits for former and current employees in the event that their defined benefit plans are terminated. The sale will save

425 stores and 45,000 employees, and it comes as a relief to many who worried they would lose their jobs and pensions when Sears filed for bankruptcy in October.



PBGC covers Sears' two pension plans through its Single-Employer Insurance Program. Under the [Risk Mitigation & Early Warning Program](#), PBGC secured some of Sears' assets and made pensions a higher priority during the bankruptcy proceedings.

"This is a highly significant event," said **Robert Roach, Jr.**, President of the Alliance. "Most retirees do not get that protection."

President Roach added, "It is important that retirees, active workers and those who represent them act quickly when a

bankruptcy is going to occur, so that PBGC can secure company assets and protect the pensions of those who earned them. No Sears retirees or current employees will lose their pensions in this instance because the early warning program worked the way it was supposed to."

GOP Group Looks to Big Pharma for Funds to Lobby for Flawed NAFTA 2.0

Following [uproar](#) over the U.S.-Mexico-Canada Agreement ("NAFTA 2.0") due to overly accommodating and generous provisions that benefit drug corporations, Republicans [started a group](#) known as Trade Works for America (TWA) to lobby the agreement through Congress. The action demonstrates Republican panic as revelations emerge about Big Pharma's influence over the agreement. **Phil Cox**, the former executive director of the Republican Governors Association, who co-founded the group with former White House official **Marc Short**, stated that TWA has a budget of \$15 - \$20 million. That amount is being funded in large part by Big Pharma, Big Oil, and the agricultural sector -- all groups that would see huge concessions from the trade deal.

NAFTA 2.0 has come under fire from both parties for granting [too many concessions](#) to drug corporations, especially as Congress conducts hearings on rising drug costs in the United States.

The agreement as it currently stands locks in the lengthy exclusivity period for biologics in the United States. This prevents future Congresses from shortening the exclusivity period, which would allow more affordable generic versions to enter the market. A 10-year treaty handcuffs the nations into a higher level of monopoly protection for drugs that already take in billions of dollars a year.

"TWA is giving donations to politicians from the very corporations that the U.S.-Mexico-Canada Agreement directly benefits," said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. "This is unacceptable. It's time to stop corporate bribery in American politics, especially where it affects our most vulnerable populations."

"Pass USMCA," another coalition that includes the Pharmaceutical Research and Manufacturers of America, also wants to see Congress pass the trade deal as quickly as possible. However, many now see that as unlikely, as Democratic Members of Congress including **Rep. Earl**

Blumenauer (OR) say the bill won't even make it past a subcommittee without significant reworking.

Federal Judge's Ruling is Latest Threat to the Affordable Care Act

Recently, a federal judge [struck down](#) a state lawsuit defending the Affordable Care Act (ACA) and its protections for people with pre-existing conditions. Maryland Attorney General **Brian Frosh** (D-MD) [filed the suit](#) in September, seeking a declaration from the U.S. District Court of Maryland that would uphold the health law's constitutionality. The decision is one of many threats to the ACA and its protections for people with pre-existing conditions.

Texas Judge **Reed O'Connor** [declared](#) the ACA unconstitutional when he ruled in December on part of a lawsuit that was [filed by](#) 20 Republican State Attorneys General early last year. In an unprecedented move, the Department of Justice has [declined](#) to defend the health law for pre-existing conditions as the Texas case [makes its way](#) through the court system.

There have also been attempts to undermine health care protections at the state level. Lawmakers in Utah and Idaho are trying to [scale back](#) voter-approved Medicaid expansion initiatives, and legislators in states like Florida could threaten similar measures that are in the works for the 2020 ballots.

Last week, House Democrats [launched](#) a campaign to counter these threats and have [made it clear](#) that defending the ACA and its protections for people with pre-existing conditions is a priority.

"Health care was the single most important issue cited by voters in the 2018 elections, with many citing support for the ACA's protection for people with pre-existing conditions. This issue deeply affects older Americans; [84% of those who are 55-64](#) have at least one pre-existing condition," said **Joseph Peters, Jr.**, Alliance Secretary-Treasurer. "Lawmakers must show their support for retirees by taking action to defend the Affordable Care Act and its protections immediately."