With Earned Pension Benefits on the Line, Retirees Call on Congress to Pass the Butch Lewis Act

The stakes couldn’t have been higher Tuesday for 1.3 million Americans when the House Education and Labor Committee approved H.R. 397, the Rehabilitation for Multiemployer Pensions Act, by a vote of 26-18.

The legislation, also known as the Butch Lewis Act, affects approximately 130 pension plans covering millions of retirees and current workers in industries such as construction, retail, manufacturing, transportation, and mining. Their plans are in imminent danger of insolvency.

“Republicans on the committee voiced their disapproval with the bill and attempted to use procedural tactics to delay the vote, but due in part to formidable lobbying efforts earlier, they were unsuccessful,” said Robert Roach, Jr., President of the Alliance.

“Retirees’ pensions were earned during years of hard work. To gain pension benefits, workers have foregone pay raises and other benefits,” added Richard Fiesta, Executive Director of the Alliance. “It is not the workers’ fault that these plans are on the verge of insolvency, but this dire situation will lead to benefit cuts of 50% to 75%.”

The legislation is named for Butch Lewis, a retired truck driver from West Chester, Ohio. Mr. Lewis had only been retired for one year when he got a letter informing him that his earned pension benefits were at risk of being cut from $3,349 a month to $1,999. Mr. Lewis lost sleep and fretted constantly about the loss of retirement income he and his fellow Teamsters faced. The stress took a toll, and on New Year’s Eve 2015, Mr. Lewis died of a massive stroke. He was 64.

The Butch Lewis Act protects workers whose pensions are at risk by providing low-interest 30-year loans to troubled pension plans. The Congressional Budget Office (CBO) estimates the loan program would cost $32 billion over 10 years, far less than the $101 billion it would cost retirees and taxpayers if the PBGC were to fail. Providing government assistance or a loan guarantee to
troubled entities is not unprecedented. For example, Congress had provided $180 billion for AIG as of 2011 and a bailout worth billions to the savings and loan industry in the 1990s.

“If the PBGC goes under, over a million retirees will lose the secure retirement they were promised,” said President Roach. “The full House and the Senate have a moral and financial obligation to current and future retirees to end the political games and pass the Butch Lewis Act.”

“Congress also needs to pass H.R. 935, the Miners Pension Protection Act, and preserve United Mine Workers’ (UMWA) hard-earned pensions,” said Executive Director Fiesta. “Together these bills will protect the hard-earned benefits of retirees, secure the solvency of the PBGC and ensure that well over a million hard-working Americans have a dignified retirement.”

In an Unusually Cruel Move, Walgreens Makes Cuts to Retiree Medical Payments

Last September, Walgreens announced in a letter that they would no longer subsidize medical payments for retired workers who had not turned 64 by March 31, 2019. The company claimed that “rising and unpredictable healthcare costs” are to blame. This move will affect nearly 550 retirees who have received these subsidies before they turn 65 and qualify for Medicare, preventing them from offsetting their medical costs.

Retired Walgreens workers are outraged by this policy change. “It all goes back to how could a financially sound company take away benefits from people who already retired who can’t go back?” said Paul Fischer, a 62-year-old retiree who worked as a Walgreens pharmacist for 29 years. Health care experts are also questioning the company’s decision. “Pre-65, I do think it’s unusual to take people who already have a subsidy right now and eliminate that subsidy. ...some employers consider that almost an employment contract,” said Derek Guyton, a partner at Mercer, owned by Marsh & McLennan.

“All employers have an obligation to both current and retired employees to provide them with the quality, affordable health care they were promised - often before they made major life decisions,” said President Roach.

In an email, a Walgreens representative announced that the company’s executive team is working on a “lower-cost, unsubsidized retiree health program” that will be launched in 2020. The spokesman did not provide any more details.
Democratic Senators Back Medicare Negotiation Proposal, GOP Looks to Big Pharma Instead

On Wednesday, Senator Debbie Stabenow (MI), joined by Senators Amy Klobuchar (MN), Chris Murphy (CT) and Patty Murray (WA), hosted a press conference to push for legislation that would allow Medicare to directly negotiate drug prices with drug manufacturers. “The number one way to bring costs down is to let Medicare negotiate the cost of prescription drugs on behalf of everyone who is on Medicare,” said Sen. Stabenow.

The senators also spoke about the overwhelming public support for Medicare drug price negotiation, pointing out that the only people standing in the way of this proposal are Republican senators and the pharmaceutical industry.

“It is way past time that we stop letting drug companies charge exorbitant prices with no justification and start empowering Medicare to bring drug companies to the negotiating table and bring prices down,” said Senator Murray.

While Democratic senators advocate for Medicare negotiation, Republicans are turning to the pharmaceutical industry for “advice” on how to address the prescription drug price crisis. In a letter to the Pharmaceutical Research and Manufacturers of America (PhRMA), eight GOP senators asked what pharmaceutical companies believe are the best solutions to “increase transparency and directly lower the list price of drugs for consumers.” They also asked how the pharmaceutical industry will “address price disparities in the international market” and how they will work with Congress to find “real solutions.”

“92% of all Americans support Medicare negotiation,” said Joseph Peters, Jr., Secretary-Treasurer of the Alliance. “With clear bipartisan support, it is time to stop empowering Big Pharma and instead give Medicare the necessary tools to lower drug prices for the millions of seniors who benefit from the program. We cannot allow the foxes who guard the hen house -- pharmaceutical corporations -- to write the legislation.”

Have You Heard? A Valuable Benefit for Alliance Members

Alliance members and their extended families can take advantage of discounts up to 70% off the Manufacturer’s Suggested Retail Price on hearing aids purchased through the Alliance’s partnership with Hear In America. Three years of follow-up care and loss-and-damage coverage are included.

Many gerontologists and senior advocates consider hearing aids necessary medical treatment. Recent studies have found that hearing loss is linked to dementia and cognitive decline, making it more important than ever to have your hearing checked. Past studies have also shown that untreated hearing loss is directly related to faster brain shrinkage, depression, and falls.

Research conducted by the Johns Hopkins School for Public Health found that older adults with untreated hearing loss pay much more in total health care costs over time, averaging 46% more in expenses than people who did not have hearing loss.

To arrange a FREE hearing screening and evaluation, contact Hear In America today and find out
if hearing aids would benefit you. For more information or to register, call 1-800-286-6149 or go to www.hearinamerica.com/ara.

Indiana Alliance Honors Elmer Blankenship at Annual Convention

Elmer Blankenship, the founding president of the Indiana Alliance, was awarded the Lifetime Achievement Award for his dedicated years of service to retirees and their communities at the Indiana Alliance’s convention on Friday. Under his extraordinary leadership, the chapter mobilized thousands of community members to advocate for retirement security for both Hoosiers and all Americans. The Alliance is deeply grateful for his many contributions to the organization.

In addition to President Blankenship, other speakers at the convention included Brett Voorhies, Indiana AFL-CIO President; Rich Rankin, UAW Region 2-B Director; Tim Foley, Alliance national executive board member; Executive Director Fiesta; and Maureen Dunn, Alliance Field Manager.

Ron Long (UAW) is the incoming Indiana Alliance President. Randy Schmidt (UAW) will be the incoming Indiana Alliance Education Fund President, and Mr. Blankenship stays on as President Emeritus.

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.