

# FRIDAY ALERT



**Alliance for Retired Americans**

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## Retirees Say 1.6% Social Security COLA is Just Not Enough

Sixty-three million retirees will get a [1.6% cost-of-living increase from Social Security in 2020](#). For the average retired worker that means \$24 per month, according to estimates released Thursday by the Social Security Administration (SSA).

“Retirees should be disappointed that the 2020 COLA will be so paltry,” said **Richard Fiesta**, Executive Director of the Alliance. “While any COLA (cost-of-living-adjustment) helps a little, \$24 per month is not nearly enough to keep up with the escalating cost of prescription drugs and other living expenses.”

One in four older Americans report that they are not taking a prescription as prescribed due to cost, and a majority fear that they will not be able to afford their prescriptions in the future.

“Congress must expand Social Security and increase benefits for retirees,” Fiesta continued. “That means removing the artificial earnings cap and making the wealthiest Americans pay their fair share. Future COLAs need to be based on the CPI-E, the Consumer Price Index for the Elderly.” For details on pending federal legislation to expand Social Security, download the Alliance [fact sheet](#).

Meanwhile, the Senate is considering an Appropriations bill that rolls back an [increase in funding for the Social Security Administration operations](#), agreed to as part of last summer’s budget deal. That amounts to a \$2.7 billion cut after inflation.

“These cuts would make it much harder for seniors to get answers to their questions and claim the benefits they have earned,” said Fiesta. “With ten thousand Americans turning 65 every day, we should be increasing the SSA workforce and budget, not cutting it further.”

## Alliance Members Lead National Day of Action to Lower Prescription Drug Prices Now

Alliance members and activists in 30 cities held demonstrations and called on their members of Congress to take immediate action to lower prescription drug prices on Thursday. The local events highlighted the struggle and worry that retirees and most Americans have about escalating drug prices.

The cost of the most prescribed brand name prescription drugs has increased [10 times](#) faster than the rate of inflation between 2012 and 2017. The same [study](#) found that prices for the prescriptions most commonly used by seniors increased at double the rate of inflation in 2017.



Left photo (left to right): Texas Alliance members Mary Chambers, Bob Fusinato, Zen Biasco, and Martha Chapman, as well as Field Organizer Judy Bryant, met with Rozi Hovhannisyian, Constituent Advocate for Cong. Allred. Right photo: North Carolina activists send a message to Sen. Thom Tillis.

Three U.S. House of Representatives committees are scheduled to consider the bill, the Lower Drug Costs Now Act, H.R. 3, next Wednesday, October 16. The bill requires the Secretary of Health and Human Services to negotiate lower prices for 250 of the most expensive drugs covered by Medicare -- including insulin -- and those lower prices will be available to all insurance plans in the country. Notably, pharmaceutical corporations that refuse to come to the negotiating table will be required to pay steep, escalating penalties on their gross sales that could cost them billions of dollars. Industry lobbyists are working hard to defeat the bill even though polls show that [86% of Americans](#) support it.

“H.R. 3 is overdue. We must bring down prices to help all patients, especially older Americans, and finally put an end to drug corporation price gouging,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “Once enacted, the prices Americans are charged will be more in line with prices in other countries.”

## GE Freezing Pensions

General Electric announced sweeping changes to its pension plan that will affect about 20,000 salaried employees this week. Retired GE employees who have not started receiving monthly pension payments will instead be offered a one-time lump-sum payout. Seven hundred employees who became executives before 2011 will have their supplementary benefits frozen. Many say the company is covering for a year of [bad management and alleged accounting irregularity](#).

“This is typical in America,” said **Robert Roach, Jr.**, President of the Alliance. “People are losing the retirement security they have worked for. It is beyond time for Congress to rectify this problem. It is not an exaggeration to say that failure to address this emergency will cause the American economy to shrink and result in an economic disaster.”

## California Governor Signs California Alliance-Backed Bills into Law

Thanks to the strong advocacy of California Alliance members and their coalition partners, drug corporations will no longer be able to pay competitors not to challenge their monopolies. These practices reduced competition and kept prices and pharmaceutical manufacturers' profits high.

**Hene Kelly**, Vice President of the California Alliance and National Alliance Executive Board member, joined Governor **Gavin Newsom** for the bill signing. Also attending were representatives of the health, consumer, senior and labor groups that pressed for the bill throughout the legislative session.



Hene Kelly (front row, third from left) with Gov. Newsom and other supporters of the California drug legislation

The bill was passed despite well-financed opposition from prescription drug corporations, which sought to block or weaken the legislation.

Gov. Newsom has signed three other California Alliance [priority bills](#) that address rent control, prevent housing discrimination, and strengthen law enforcement's training and responses to abuse of elders or adults with disabilities.

### 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.

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. Other studies have shown that untreated hearing loss is directly related to faster brain shrinkage, depression, and falls.



Research conducted by the Johns Hopkins School of Public Health showed 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](http://www.hearinamerica.com/ara).

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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.