



***The American Pension Crisis
an Alliance for Retired Americans Seminar
November 19-20, 2019***



Social Security and Medicare Basics

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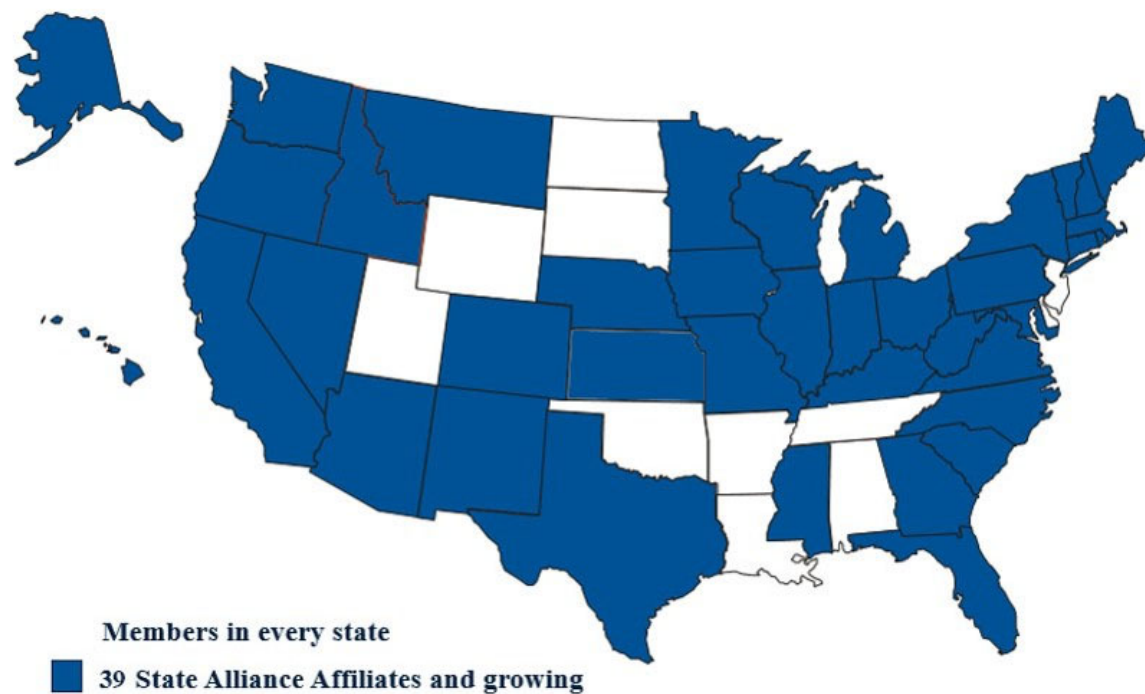
About the Alliance

- **Founded by the AFL-CIO in 2001**
- **4.4 million members** and growing
- **1600+ local chapters in all states**
- **Union retirees & community members**
- **Leadership**
 - **Robert Roach, Jr., President**
 - **Joseph Peters, Jr., Secretary-Treasurer**



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Members in Every State



What We Do

- **Grassroots advocacy and actions**
- **Legislative advocacy**
- **Educate**
- **Empower**
- **Mobilize**



We fight for retirement security and economic fairness for all Americans

Resources



- **Annual Congressional Voting Record**
- **Fact Sheets and advocacy tool kits**
- ***Friday Alert* weekly newsletter**

Americans Are Concerned

Does U.S. Face a Retirement Crisis: YES

Democrats - 80% percent

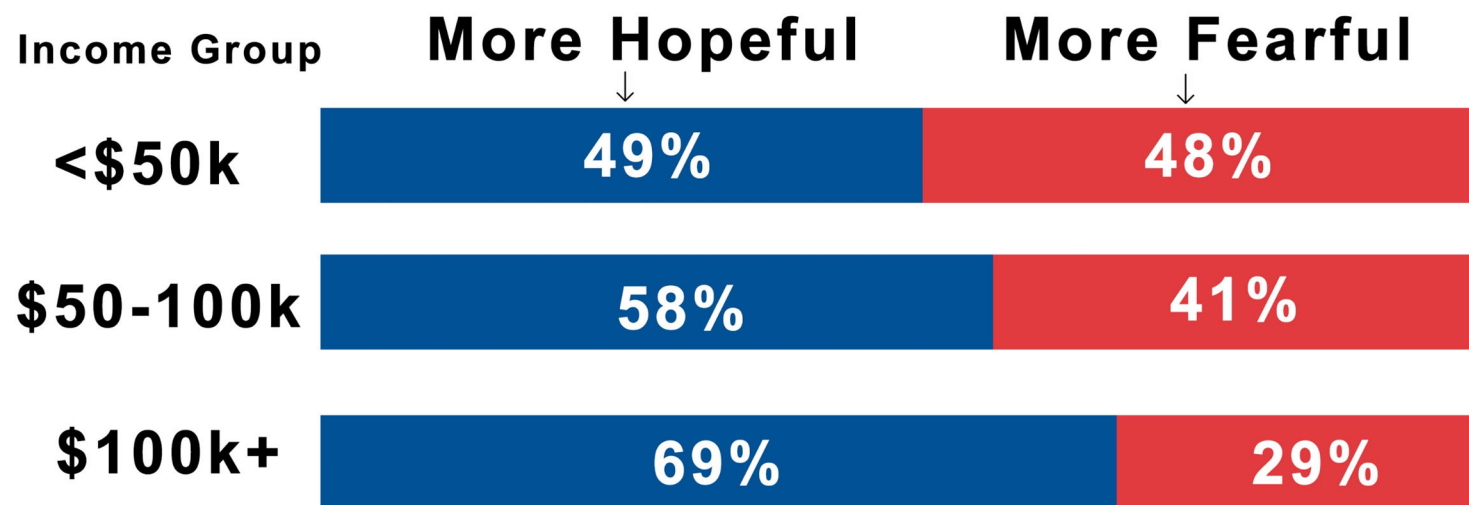
Republicans - 75% percent

Independents - 75% percent

National Institute for Retirement Security 2019

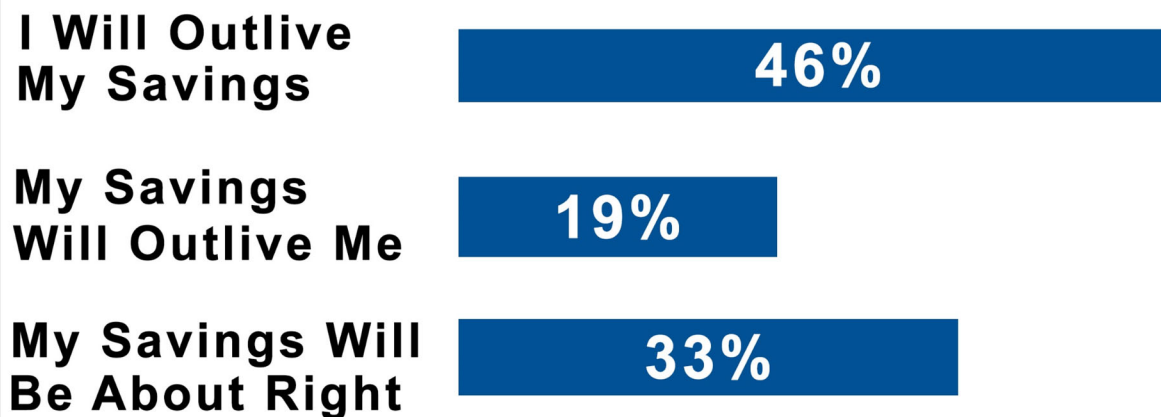


More Hopeful or Fearful When You Think About Retirement?



Axios/Survey Monkey, November 2019

Will My Retirement Savings Last?



Axios/Survey Monkey, November 2019

Retirement Savings - Rhetoric



*“Number of **\$1 Million**
retirement nest eggs
reaches a new high”*

CNBC, November 2019

Retirement Savings – Reality

The average working household has
virtually no retirement savings.

- Median retirement account balances:

\$3,000 for working-age households

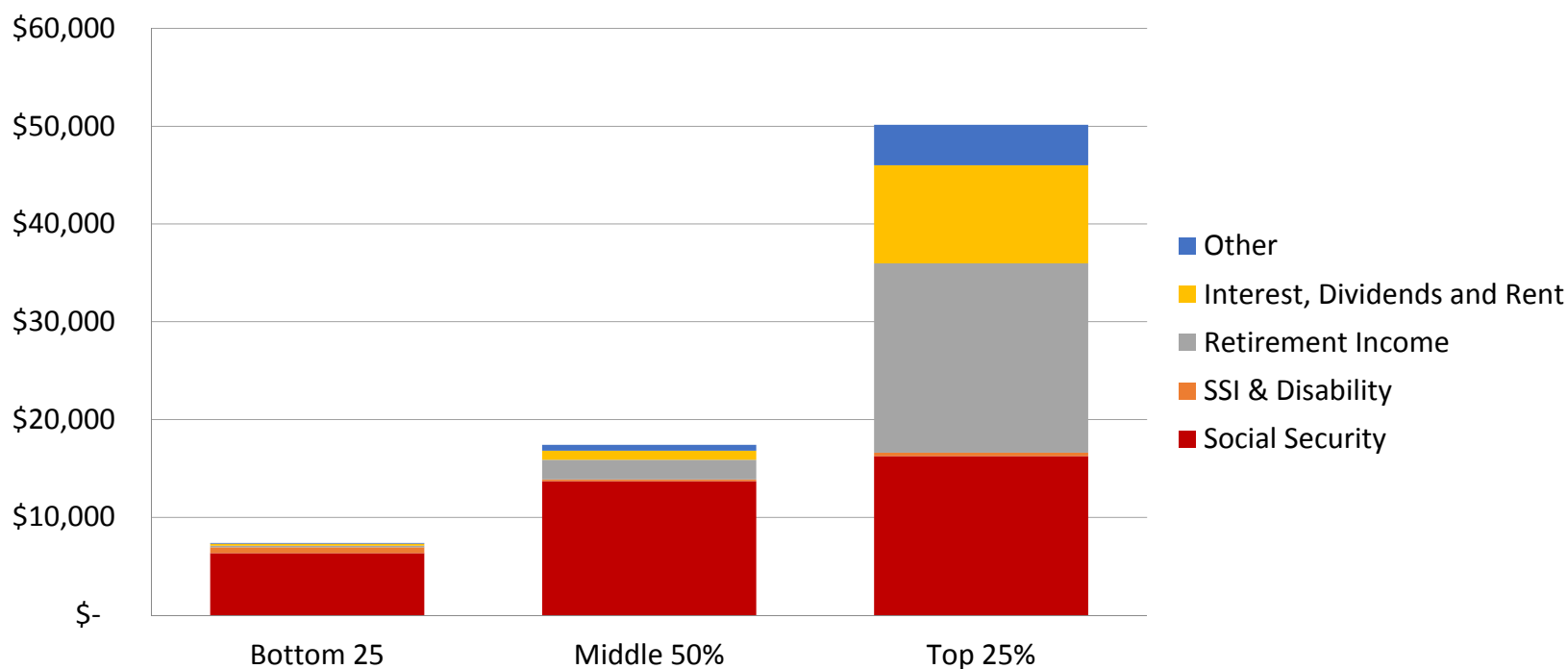
\$12,000 for near-retirement households



NIRS 2015

Social Security: Main Income Source for 75% of Retirees

Sources of Income of Retirees Age 65 and Older



NIRS 2015

Social Security Basics

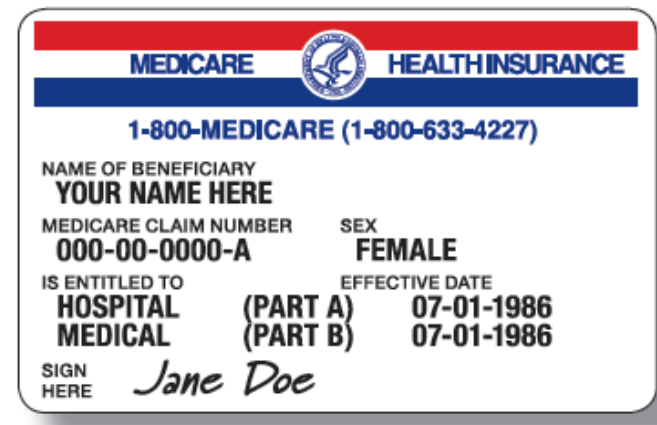
- Nearly **Universal, Portable**
- **Lifetime benefits**
- Provides **family benefits if worker dies**; provides disability protection
- Provides a yearly cost-of-living adjustment (COLA)
- **Fully-funded by payroll tax**
- Just **.7%** of total expenditures is spent on administration



Medicare Basics

Universal health insurance for all
65 years+ and under age 65 with
certain disabilities or diseases

177 million workers contribute
through payroll taxes



MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
YOUR NAME HERE

MEDICARE CLAIM NUMBER
000-00-0000-A

SEX
FEMALE

IS ENTITLED TO
HOSPITAL (PART A)
MEDICAL (PART B)

EFFECTIVE DATE
07-01-1986
07-01-1986

SIGN HERE *Jane Doe*



Faces of Social Security

63 Million Beneficiaries

46.8 million receive retiree benefits

5.9 million survivors benefits

10.1 million receive disability benefits

3 million beneficiaries are children

Average Benefits

Retired worker \$1,461; Retired couple \$2,448

Disabled Worker \$1,234



Faces of Medicare



**More than 59 million
beneficiaries**

- **50.3 million seniors**
- **8.8 million people
with disabilities**



Health Care Major Expense for Seniors

**Average Medicare
beneficiary pays **\$5,460**
out of pocket on
health care**

- Premiums, co-pays and cost of services not covered



KFF, 2019



Social Security is Solvent



Social Security's combined trust funds are solvent until **2035!**

OASI – 2034

SSDI – 2052

Could pay **75%** after that
if nothing changes



Medicare is Solvent



**Medicare is solvent too –
until 2026!**



Federal Insurance Contribution Act (FICA)

Benefits Earned Over a Lifetime of Work

- | | |
|----------------------------------|--------------------------|
| • Social Security – 12.4% | • Medicare – 2.9% |
| Employee 6.2% | Employee 1.45% |
| Employer 6.2% | Employer 1.45% |
| 2019 capped at \$132,900 | No wage cap |



Trust Fund Taxes

BANKRUPTCY ***“TRUST FUND TAXES”***

**Employee Social Security and Medicare taxes
cannot be discharged in bankruptcy**



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Key Takeaway

- ✓ Social Security is **NOT ENOUGH** for a Secure Retirement!
- ✓ Social Security is **SOLVENT**.

Get Informed, Get Involved



www.retiredamericans.org



Facebook.com/retiredamericans



@activeretirees and @RFiestaARA

***Friday Alert:* www.retiredamericans.org/signup**

**Questions?
Comments?
Discussion?**

