

FRIDAY ALERT



Alliance for Retired Americans

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Senate Passes Budget That Protects Social Security and Medicare, Ends Sequester

Early Saturday morning, the U.S. Senate passed a budget crafted by Sen. **Patty Murray** (D-WA), the Chairman of the Senate Budget Committee. Unlike the budget plan promoted by Rep. **Paul Ryan** (R-WI), which passed the U.S. House of Representatives last week, the Murray budget does not include any cuts to Social Security or to Medicare benefits, nor does it gut Medicaid by turning it into a block grant program. In addition to keeping vital benefit programs intact, Murray's budget repeals the harmful sequester cuts, while Ryan's budget would leave them in place through 2023. To see the Alliance's chart comparing the Murray budget passed by the Senate with the Ryan budget passed by the House, go to <http://tinyurl.com/dxqybgm>.

"The Murray budget is starkly different from Paul Ryan's budget," said **Edward F. Coyle**, Executive Director of the Alliance. "While Ryan's plan attempts to balance the budget on the backs of seniors and the middle class, this budget protects Medicare, Medicaid, and Social Security as well as ending the harmful sequester cuts. It presents a far more positive and retiree friendly alternative to the Ryan plan."

Senate Budget Also Includes Sanders Amendment Opposing Chained CPI

Sen. **Bernie Sanders** (I-VT) authored an amendment to the Senate budget which opposes switching to the chained CPI method of calculating Social Security benefits. The amendment was included in the final budget which passed the Senate on Saturday. In a statement released after the vote, Sanders stressed that the Senate is clearly opposed to chained CPI and will oppose any bill that includes it. If implemented, chained CPI would cut Social Security benefits for 55 million Americans, including retirees, disabled veterans, and the surviving spouses and children of veterans. Sanders mentioned the Alliance on the Senate floor in conjunction with the vote. The amendment passed by voice vote. To read his statement, go to <http://tinyurl.com/cj5j3o5>.

"We are very pleased to see the Senate firmly reject chained CPI," said **Barbara J. Easterling**, President of the Alliance. "Retirees and veterans paid into the system and they deserve their full Social Security benefits."

Republican Senator Burr Supports Chained CPI but Wants to Exempt Veterans

Sen. **Richard Burr** (R-NC) told *The Hill* that he supports implementing the chained CPI method of calculating Social Security. However, Burr stated that he did favor exempting veterans from the switch to chained CPI. To read Burr's statements to *The Hill*, go to <http://tinyurl.com/cs3erjw>

"Exempting veterans might sound good in theory, but it's unworkable in practice," said Mr. Coyle. "The vast majority of beneficiaries, including both veterans and retirees, live on extremely modest means and cannot absorb such a large cut to their benefits. There is no humane way to implement chained CPI."

Long-Term Care Insurance Increasingly Unaffordable, Especially for Women

Just as many retiring baby boomers are seeking to buy long-term care insurance, the companies that provide it are making it more difficult to purchase by raising premiums, weakening coverage, and charging women higher rates than men. According to data from the American Association for Long-Term Care Insurance, premiums have risen dramatically in just the last year, by an average of 10 percent for couples and 20 percent for singles. Alternatively, more companies are giving customers the option to buy cheaper plans that do not offer inflation protection and will likely result in considerably lower benefits. Companies are also increasingly charging women higher rates than men for long-term care insurance, which did not used to be the case. They justify this because women are more likely to live longer and are less likely to have a caregiver, since they tend to outlive their husbands. To read an article in the *New York Times* about the issue, go to <http://tinyurl.com/bphty1f>.

“Charging women higher premiums is unjust,” said Ms. Easterling. “The Affordable Care Act made it illegal to charge women to pay steeper rates than men for their health insurance. The government should take steps to give women the same protection when it comes to long term care insurance, and to make long term care insurance more affordable for all retirees.”

Seniors Face Growing Credit Card Debt Crisis

According to two recent studies, seniors are facing an alarming, and growing, debt crisis. A report from AARP’s Public Policy institute and Demos, a research organization, compared the amount of credit card debt held by different age groups. The report found that Americans over the age of 50 carried an average balance of \$8,278, while those under the age of 50 had a comparatively lower average balance of \$6,258. A second study, from the Employee Benefit Research Institute, found that the percentage of income that Americans over 75 spend on debt payments substantially increased from 4.5 percent to 7.1 percent in just three years between 2007 and 2010. Experts pinpoint medical expenses as one of the primary causes of the increased debt. To read the *New York Times* write-up on that issue, go to <http://tinyurl.com/chc7snk>.

“Seniors should not be forced to go into debt just to afford health care and basic living expenses,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. “This is a clear illustration of why any cuts to Social Security and Medicare would be a disaster for retirees at a time when so many are already struggling to get by.”

Something on Your Mind? Write a Letter to the Editor and Win a Pen!

Is there something you want retirees in your community to know about? Take a moment to write a letter to the editor, and if it is published, the Alliance will send you a free, union-made “Retirees with the Write Stuff” pen. “Letters to the editor are free and are widely read,” said Mr. Burks. “With the wealthy business interests we are up against, it’s nice to have an option that doesn’t cost anything.” Most recently, **Don Berry, Leon Burzynski, Robert Carillo, Doug Curler, Bentley Davis, Robert Dougherty, Tony Fransetta, Doug Hart, Judith Jobs, Terry Lochhead, Al Mumm, Valerie Paterson, Gene Roza, Jane Russell, Frank Stella, William Stevens and Charles Urban** contributed to their local papers with either a Letter to the Editor or an op-ed. Please e-mail aracommunications@retiredamericans.org if you have had a letter published.