

Key 2013 Questions: Social Security and Medicare

Take the time to ask your member of Congress what they think about Social Security and Medicare, two cornerstones of retirement security for millions of Americans. The following are some suggested questions on the two subjects.

Social Security

Do you support raising or scrapping the Social Security payroll cap to support the long-term fiscal solvency of Social Security?

The 2012 Social Security Trustees' Report confirmed that the Social Security Trust Fund has over \$2.7 trillion, and continues to grow. After 2033, without any changes, Social Security will have enough revenue to pay 75% of benefits. In 2013, the annual taxable maximum wages for Social Security is \$113,700. Raising or scrapping this payroll cap would address this long-term shortfall while also ensuring that everyone pays their fair share. **The Alliance supports raising or scrapping the payroll cap.**

Do you oppose changing the COLA to the Chained CPI, a change that will lead to lower benefits?

Prior deficit reduction negotiations have proposed changing the formula used to calculate the annual COLA to the so-called chained CPI, which would cut benefits of those receiving Social Security today. After ten years average retiree benefits would be cut by about \$600 a year, and after 20 years they would be cut by about \$1,000 a year. The Alliance opposes moving to the Chained CPI and supports the CPI-E, consumer price index for the elderly, a more accurate measure of increases in the cost of goods for individuals age 62 and older.

Do you support the Rebuild America Act,, Senator Tom Harkin (D-IA) and Rep. Rosa DeLauro's (D-CT) bill to Strengthen Social Security?

The Rebuild America Act sets forth policies that will help rebuild America's retirement security. The bill gradually lifts the payroll cap which reduces the Social Security shortfall and extends the life of the Trust Fund. It increases average Social Security benefits by \$65 per month. It also adopts the CPI-E as the proper measure for calculating Social Security COLAs. **The Alliance supports the Rebuild America Act.**

Do you oppose further increasing Social Security's normal retirement age, which is already increasing to age 67?

While the life expectancy of upper income earners has increased, the life expectancy of middle and low wage earners has not increased significantly to justify another increase in the retirement age. Many older workers cannot find work or cannot work until age 67, let alone to age 69. **The Alliance opposes raising Social Security eligibility age.**



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Do you oppose means-testing Social Security benefits?

Social Security's popular support is grounded in the fact that Social Security is an insurance program for *every* worker: Your contributions earn you the right to benefits when the time comes. Breaking the link between earnings and benefits undermines the very support the program needs for its continued success, leaving it highly vulnerable to benefit cuts in the name of deficit reduction. **The Alliance opposes means-testing benefits.**

Medicare

Do you support raising the Medicare eligibility age from 65 to 67?

Raising the Medicare age will require seniors 65 and 66 years of age who do not have employer-sponsored retiree benefits to stay in workforce, obtain coverage through the exchanged or apply for Medicaid. Staying on the job or going back to work is not always an option. Many seniors have physical limitations, others face age discrimination. Seniors who join the Medicaid rolls will increase costs to the states by \$.7 billion and the federal government by \$8.9 billion. Seniors 65 and 66 years old, who are forced to buy insurance on the private exchanges, as well as seniors who are on Medicare will see 3 percent increase in their premiums. This is equivalent to \$141 per enrollee in 2014. Raising the Medicare age does nothing to lower the rising costs of health care and, instead, shifts costs on to employers, the state and seniors. The Alliance opposes raising the age of Medicare eligibility.

Do you support efforts to further means-test Medicare?

While Medicare Parts B and D are already means-tested, many in Congress continue to point to it as a way of reducing costs to the Medicare program. However, in order to achieve the savings envisioned by its supporters, means-testing would have to affect middle income beneficiaries making as little as \$47,000 a year. **The Alliance opposes means testing.**

Do you support allowing Medicare to negotiate lower drug prices and requiring drug companies to provide discounts to low-income beneficiaries under the Medicare program?

Currently, the government negotiates lower drug prices on behalf of veterans and low-income, Medicaid beneficiaries but not low-income Medicare beneficiaries. Congressional estimates show that if drug companies were required to provide discounts to low-income Medicare beneficiaries, the federal government would save \$135 billion over 10 years. This money could be used to help defray the rising costs of health care rather than shifting the costs on to seniors. The Alliance supports requiring drug companies to pay rebates under the Medicare program.

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