Alliance for Retired Americans

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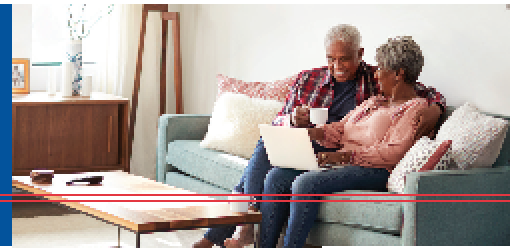


AUGUST 2019

Protecting Multiemployer Pensions

On July 24, 2019, the U.S. House of Representatives passed Representative Richard Neal's Rehabilitation for Multiemployer Pensions Act, H.R. 397 (also known as the Butch Lewis Act), which provides assistance to troubled multi-employer pension plans. Senator Sherrod Brown introduced the companion Senate bill, S. 2254.

Multiemployer pension plans are collectively bargained pension plans maintained by more than one employer, usually within the same or related industries – such as construction, retail, manufacturing, transportation, mining – and a labor union.

The Problem

More than one million Americans depend on multiemployer pension plans for their retirement. Over 100 multiemployer pension plans are likely to fail within the next 20 years, which will jeopardize the retirement income of the workers and retirees in these plans. The largest plan at risk is Central States, a Teamster plan. Other plans at risk include the United Mineworkers Pension Fund and the Bakery, Confectionery, Tobacco Workers and Grain Millers Pension Fund.

The Pension Benefit Guaranty Corporation (PBGC), created as a federal backstop to protect beneficiaries in the event of a plan failure, only has $2.2 billion in assets backing multiemployer plans—and it needs $67 billion in assets just to support the pension obligations for plans that have already failed.

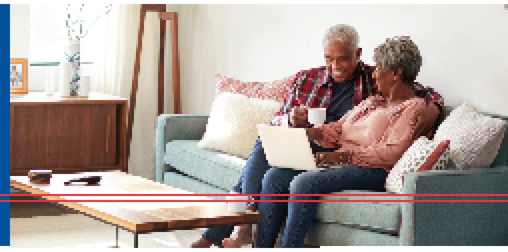
By 2025, the PBGC multiemployer insurance fund could run out of the cash it needs to support the pension plans it already has taken over, or is on the verge of taking over right now. The collapse of the Teamsters Central States Plan alone would bankrupt the multiemployer trust fund of the PBGC. This means that the participants and retirees in other failed multiemployer pension plans will have no pension insurance, and they potentially could lose their entire pension benefit, which they earned after a lifetime of work.

Addressing the Problem

H.R. 397 would provide low-interest, 30-year loans to troubled plans in critical and declining status. The Congressional Budget Office estimates the loan program would cost $48 billion over 10 years, far less than the $101 billion it would cost retirees and taxpayers if the PBGC were to fail. Providing federal assistance or a loan guarantee to troubled entities is not unprecedented. For example, after the 2008 housing crisis Congress provided $280 billion to Citigroup, $180 billion to AIG, and $142 billion tor Bank of America. In 1989, Congress provided $293 billion to the Savings and Loan industry.

The Ask

The Alliance for Retired Americans urges the Senate to bring up and pass S. 2254. This legislation will help to rescue troubled multiemployer pension plans and protect the earned pension benefits of over one million hard-working Americans.



Medicare and Prescription Drug Prices

Americans pay the highest prices in the world for prescription drugs. Medicare Part D drug prices are projected to increase by 4.7 percent each year until 2026 and are expected to be the fastest growing part of health care spending. Higher drug prices affects beneficiaries' out-of-pocket costs and federal spending.

Numerous proposals in Congress would help reduce the exorbitant costs of medications, including the following:

Medicare Drug Negotiation

Representative Lloyd Doggett (D-TX) and Senators Sherrod Brown (D-OH) and Amy Klobuchar (D-MN) have introduced the **Medicare Negotiation and Competitive Licensing Act (H.R. 1046 and S. 377)**. This legislation requires the Secretary of Health and Human Services to negotiate drug prices directly with pharmaceutical corporations, the way the government does now for Medicaid, the Defense Department and the Veterans Administration (VA). If those negotiations fail, the government is authorized to license patents in order to foster generic competition. Medicare could save $16 billion a year if it secures the VA's prices for drugs.

Drug Importation

Representative Elijah Cummings (D-MD) and Senator Bernie Sanders (D-VT) have introduced the **Affordable and Safe Drug Importation Act (H.R. 447 and S. 97)**, which allows drug importation from Canada, OECD partners or other countries with comparable safety standards.

Drug Price Transparency

Representative Jan Schakowsky (D-IL) and Senator Tammy Baldwin (D-WI) introduced the **FAIR Drug Pricing Act (H.R. 2296 and S. 1391)**. This legislation requires drug manufacturers to notify HHS and submit a transparency and justification report 30 days before increasing the price of a drug that costs at least $100 by more than 10 percent over one year or 25 percent over three years.

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United States-Mexico-Canada (USMCA) Agreement and Prescription Drugs

On November 30, 2018, President Trump signed the renegotiated NAFTA trade deal and put Congress on notice that it will send lawmakers a bill to implement the United States-Mexico-Canada (UMSCA) Agreement, also known as NAFTA 2.0. Congress must vote to approve the agreement for it to be finalized; a NAFTA 2.0 vote will come in 2019. The trade agreement contains provisions that could affect drug prices for all Americans, including seniors through long patent terms. It may also jeopardize the government's ability to lower drug prices for taxpayers and consumers in the future.

NAFTA 2.0 Locks in Patent Protections for Drugs & May Block Future Reform

The United States grants lengthier patents and other regulatory protections to pharmaceutical corporations than other countries do. The U.S. Trade Representative, at the urging of pharmaceutical companies, pressured Mexico and Canada to provide the U.S. protections and set them in stone as part of the NAFTA 2.0 agreement.

In doing so, our country's ability to implement patent reform in the future is jeopardized and high prescription drug prices for consumers will be locked in.

Exclusivity for biologics: NAFTA 2.0 locks in a lengthy exclusivity period for biologics – drugs used to treat various types of cancer or chronic conditions like rheumatoid arthritis and multiple sclerosis. The agreement protects pharmaceutical corporation monopolies and profits at the expense of patient access to life-saving medicines.

Evergreening: NAFTA 2.0 requires countries to grant "evergreen" patents or patent extensions for small changes in the formula, dosage or administration of a drug, regardless of whether these minor alterations improve the efficacy of the drug. This also keeps generic versions from being developed and extends corporate monopolies.

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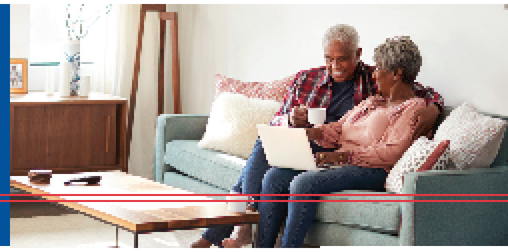

JANUARY 2019

Social Security and Medicare: Current Facts and Figures

The Many Faces of Social Security

Nearly 177 million workers contribute to Social Security through payroll taxes. Nearly 63 million people receive monthly Social Security benefits:

- 46.8 million people receive retirement benefits
- 5.9 million people receive survivors' benefits
- 10.1 million people receive disability benefits.

Average 2019 Monthly Social Security Benefit

- A retired worker: $1,461
- A retired couple: $2,448
- Disabled worker: $1,234
- Disabled worker with spouse and child:$2,130
- Widow or widower: $1,386
- Young widow or widower with two children: $2,876
- Maximum Monthly Social Security Benefit: $2,861 (for worker retiring at Full Retirement Age).

Social Security Cost of Living Adjustment (COLA) for 2019: 2.8%

2019 Social Security and Medicare Contribution Amounts

Social Security: 6.2% for both workers and employers. This contribution is paid on earnings up to $132,900.
Medicare: 1.45% for both workers and employers on all wages.

2019 Social Security Eligibility

Full Retirement Age: 66
Early Retirement Age: 62 (taking early retirement can reduce Social Security benefits up to 30 percent)

Social Security: When and How to Apply for Benefits

You should apply for Social Security benefits three months before the date you want your benefits to start. You can apply in one of the following ways:

- Visit your local Social Security office. Call 1-800-772-1213 to find the nearest office.
- Call Social Security at 1-800-772-1213. If you are deaf or hard of hearing, you can call Social Security at TTY 1-800-325-0778.
- Online: https://secure.ssa.gov/iClaim/rib

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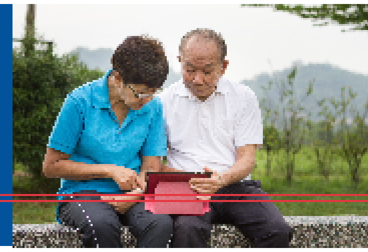
JULY 2019



Social Security Expansion Bills

Numerous bills to expand Social Security have been filed during this Congress. These bills will strengthen Social Security while improving the economic and retirement security of millions of Americans.

For decades, Social Security has delivered its guaranteed benefits on time and without interruption to millions of Americans. Although Social Security's hard-earned benefits are modest – they are vitally important to all who rely on them, including seniors, people with disabilities and families of deceased workers. Today nearly 63 million Americans – 1 out of every 5 households – rely on Social Security's lifetime, guaranteed benefits. Here is a summary of some of the expansion bills:

Strengthening Social Security Act

The Strengthening Social Security Act, H.R. 2654, sponsored by Representative Linda Sanchez, D-CA, increases benefits by $65 per month or $800 a year, adopts the Consumer Price Index for Elderly Consumers (CPI-E) ensuring a more adequate cost-of-living adjustment, improves benefits for widows and widowers by ensuring surviving spouses receives 75% of the total household Social Security benefits receive prior to a spouses death, and extends plan solvency to 2041.

Social Security Expansion Act

The Social Security Expansion Act, S. 478 and H.R. 1170, introduced by Senator Bernie Sanders (I-VT) and Representative Peter DeFazio (D-OR), increases Social Security benefits on average by $65 a month or $800 a year, adopts the Consumer Price Index for the Elderly (CPI-E) to calculate a more accurate cost-of-living adjustment (COLA) and strengthens the Social Security Trust Fund.

The bill also reinstitutes benefits, until age 22 for children enrolled in college, to children whose parent has died or children of a disabled adult, and combines the Old Age and Survivors and Disability Trust Funds to ensure solvency of both programs. To pay for it and extend the trust fund through 2071, the bill raises the cap on earnings subject to Social Security contributions (currently capped at $132,900) for incomes above $250,000 and imposes a 6.2% Social Security tax on investment income for incomes above $200,000.