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“Fighting for the future of our members, NOW, more than ever!!!!”

Affiliated with the Rhode Island AFL-CIO

March 18, 2013 E-Newsletter



Unions back plan to shore up Social Security By Mark Gruenberg March 2013

WASHINGTON - The AFL-CIO, the labor-backed Alliance for Retired Americans, the Steelworkers and the Auto Workers back new legislation to close Social Security’s future funding gap – which won’t begin for another 20 years – by taxing millionaires and billionaires, sponsors of the legislation say.

The lawmakers, Sen. Bernie Sanders, Ind.-Vt., and Rep. Peter DeFazio, D-Ore., dropped their proposal in the congressional hopper on March 7. It would extend Social Security’s payroll tax of 6.2%, which now applies only to paychecks up to \$113,000 yearly. Their bill would reinstate it on all income – not just paychecks – over \$250,000.

“Ninety-four percent of the country pays Social Security taxes on all their income. Six percent do not.

This has got to change,” Sanders, chair of the congressional Save Social Security Caucus, declared at a press conference.

The senator explained that Americans “take it for granted” that Social Security will pay full benefits, because it has for 77 years “in good times and bad. And it’s not contributed one red cent to the deficit.”

That hasn’t stopped congressional Republicans and other Social Security foes from claiming it faces a shaky financial future. Foes also contend Social Security must also “contribute” to cutting federal red ink. The foes cite actuaries’ estimates that in 2033, Social Security will have only its payroll taxes to rely on – which will then cover only 75% of planned benefits. Their solution: Cuts, and raising the retirement age.

Sanders called the claims of financial failure a lie, but admitted Social Security should be financed to pay full benefits for 50-75 years. His solution is

to tax the millionaires and billionaires, including their investment income and bonuses as well as their paychecks. He says that would raise \$85 billion yearly those decades.

“Someone making \$1 million a year paid 0.6% of his income for Social Security,” DeFazio said. “A cop on the beat paid 6%. This is unfair and a huge loophole.”

The legislation would also halt plans to cut cost-of-living hikes for present and future Social Security recipients by changing the consumer price index used to calculate yearly benefit hikes. The “chained CPI” would cut a senior’s annual Social Security income by \$675 yearly at age 75 and more than \$1,000 yearly at age 85.

The AFL-CIO Executive Council, in a Feb. 27 statement, called opposition to cutting Social Security and to the chained CPI “the right approach.” Last December, Ed Coyle, executive director of the Alliance for Retired Americans, also opposed it.

“We cannot ask workers and retirees to pay the price for a problem they did not create,” he said then. “We must reject the chained-CPI. And we must change our badly-flawed tax system, one that regularly puts Social Security at risk to pay for more tax breaks for the wealthy. It’s long past time that we stop asking those with the least to sacrifice the most.”

Steelworkers President Leo Gerard said the union “is proud to stand with you and support this vital legislation to protect the integrity and longevity of our nation’s retirement system. Your bill will make Social Security fully solvent for the next 75 years and do so without having to take the damaging actions some have so callously called for; such as raising the retirement age or cutting modest benefits that often are the difference between a retirement lived in dignity or one lived in fear and poverty.”

Mark Gruenberg writes for Press Associates, Inc., news service.

TAX EQUITY WOULD MEAN MORE REVENUE FOR RI

By Dave Fisher on March 13, 2013

A bill that would raise \$66 million in new revenue by increasing income taxes for the richest Rhode Islanders is now in the hands of the General Assembly.

The legislation, sponsored by rep. Maria Cimini and Senator Juan Pichardo, both of Providence, would

increase the income tax rate on those who earn more than \$250,000 a year from 5.99 percent to 7.00 percent.

The issue of tax equity in Rhode Island is a big one. The lowest income Rhode Islander’s contribute almost twice as much, per share, in state and local income taxes, some 12 percent of the state’s revenue, while the top-tier earners pay under 9

percent.

Members of Rhode Islander’s for Tax Equity (RITE) surrounded Cimini and Pichardo as they spoke on behalf of the bill. In the group was Tom Sgouros, who prepared a memo for RITE outlining some \$1.243 billion in forgone state revenue associated with tax cuts made in Rhode Island since 1997, most of which affected only the wealthiest

among us.

But Senate President Teresa Piva Weed, who held a competing press event just before this one, came out against tax equity, saying the business community doesn’t support it.

Cimini told reporters that the state has to figure out a way to fund the basic level of public sector services and this accomplishes that.

Alliance Activist Issues Warning at White House Event: Paul Ryan Budget Cuts Medicare

Retiree: Ryan's House Republican Budget is neither New nor Improved

WASHINGTON, DC – House Budget Committee Chairman Paul Ryan unveiled a Republican budget on Tuesday, March 12th that once again proposes privatizing Medicare and turning it into a voucher system, while lowering tax rates on the wealthy and corporations.

Diane Fleming, a member of the Alliance for Retired Americans, spoke on behalf of retirees at an event with the House Progressive Caucus. She spelled out what the Ryan budget would mean for seniors.

“Moving to a voucher system for Medicare, as the Ryan plan outlines, is just a way of cutting Medicare. It shifts health care costs onto retirees, most of whom absolutely cannot afford it and wouldn't get the health care they need,” said Ms. Fleming. “The average Medicare beneficiary's income is only \$22,000 a year.”

“The Ryan budget clearly chooses tax breaks for the wealthy and corporations over health care for millions of working families. That's not a concept I support and it's not one most Americans support,” Ms. Fleming added.

Paul Ryan budget ax hits health programs hard

By Brett Norman, Politico

The House Republican budget released Tuesday would wring about 70 percent of its spending cuts from health programs — including defunding Obamacare — to bring the budget into balance a decade from now.

Even though the federal health care law has survived the gauntlet of the Supreme Court and the presidential election since Rep. Paul Ryan released his last budget one year ago, the Wisconsin lawmaker again calls for defunding it. In fact, defunding the Affordable Care Act accounts for close to half, or about \$1.84 trillion, of his proposed deficit reduction. His plan calls for balancing the budget in 2023.

As Ryan had indicated, there is one piece of the law that he would keep: the \$716 billion in cuts to Medicare. The budget preview says those dollars would be committed to the Medicare Trust Fund and not to a “new entitlement,” as Ryan says they are under the ACA.

The core health care policies in the budget are unchanged from last year. The budget would block grant Medicaid and trim other health programs to save \$756 billion over a decade, introduce vouchers for Medicare — while preserving traditional Medicare as an option — and gradually raise the eligibility age by two years for those who are now under 55. That would save another \$129 billion, according to the estimates.

All told, the health spending is about \$2.72 trillion less than projected under current policy. The total estimated cuts, including other mandatory spending and discretionary accounts, are \$3.93 trillion over the next 10 years. Ryan claims there would be another \$700 billion in reduced interest payments.

While Ryan's budget proposal has little hope of taking money from the health care law in the near term, the continuing resolutions passed by the House and in progress in the Senate contain no extra money for implementing the law in the final months leading up to open enrollment this fall.

HHS Secretary Kathleen Sebelius predicted last budget season that the \$1 billion designated for implementation in the law would run out by the end of last year.

It's unclear how the agency is funding the build-out of the federal exchange and the data hub that will be crucial to the rollout of the law. HHS has not responded to questions about the impact of the sequester on ACA implementation or how it is paying for the ongoing efforts.

Please sign the petition expressing your disapproval of the Paul Ryan budget here: <http://bit.ly/YdAmr6>.

Income Inequality, Tied to Lower Life Expectancy, Has Policy Implications

Those who make less tend to live shorter lives. Therefore, raising the Medicare and Social Security eligibility ages — currently 65 for Medicare and moving toward 67 for full Social Security benefits — means fewer benefits for lower-income workers. *The Washington Post* elaborated on this fact on Sunday in a story analyzing data from the Robert Wood Johnson Foundation that compares county health rankings by focusing on two Florida counties of varying wealth: Putnam and St. Johns. Read more at <http://tinyurl.com/bmy23vy>. “It is important to know the facts, so that our political foes don't use misinformation as a way of raising the retirement age,” said **Barbara J. Easterling**, President of the Alliance.

Two Social Security Bills Favorable for Seniors

The Alliance sent two letters to the Hill this week in support of Social Security bills that would improve seniors' lives. Sen. **Tom Harkin's** (D-IA) Strengthening Social Security Act of 2013, S. 567, is similar to Harkin's Rebuild America Act, but NOT identical. It extends the Social Security Trust Fund through 2049; lifts the cap on earnings subject to the Social Security tax over a 5-year period beginning in 2014 (the previous legislation removed it over 10 years); and immediately applies the CPI-E. The changes would increase average benefits by about \$65 per month, or \$800 per year. As before, those now contributing beyond the 2013 cap would get an increase in benefits - though that formula has changed. The Alliance letter is at <http://tinyurl.com/cnpxaa>.

Rep. **Peter DeFazio's** (D-OR) Consumer Price Index for Elderly Consumers Act, H.R. 1030, calls for adoption of the CPI-E, a more accurate measure of inflation for seniors. That letter is at <http://tinyurl.com/bmjmgfu>.

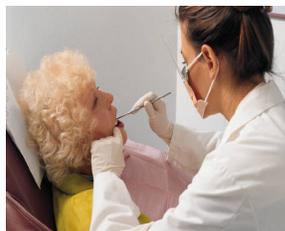
“These are two great pieces of Social Security legislation that benefit seniors, and they come in an environment where we are so used to hearing the calls of ‘cut, cut, cut!’” said **Ruben Burks**, Secretary-Treasurer of the Alliance.

RI ARA

Discounted Services for Members

Dental Care Program

THE FOLLOWING IS A DESCRIPTION OF THIS BENEFIT: MEMBER & SPOUSE



- (1) Choose a participating provider from the list below.
- (2) When you call to make your appointment, tell the receptionist you are a RI ARA affiliated member or a Healthlink Wellness member. when you arrive for your appointment, you must show this flyer.
- (3) No forms or vouchers are needed. this is not an insurance policy, you will be charged for all work at the adjusted rate.

Davis Vision Eye Care Plan Benefit



- Discounted pricing
- Eyewear is fabricated at Davis Vision laboratories for consistent quality
- One year unconditional breakage warranty is provided for all eyeglasses completely supplied by Davis vision
- No claim forms or ID cards
- Exciting optional enhancements at the discounted prices
- A large selection of frame sizes, shapes, and colors for from the exclusive Davis Vision Tower Collection
- Glass or plastic lenses (plastic Photo Gray \$65.00 extra)
- Single vision, bifocal, or trifocal lenses in any prescription range including Photo Gray, post-cataract and oversize lenses.

Ocean State Hearing Aid Benefit

Hearing Benefit Program includes:



- Discounted pricing up to 40%- 65% off retail price
- One year supply of batteries included with the purchase of a hearing aid at no additional charge
- Three year repair warranty
- Free 45 day trial at no cost or obligation
- Free Hearing Exams *if not covered under member health plan*
- Free Three Year unlimited hearing aid checkups
- 20% discount on all hearing aid accessories

These discounted services are offered through the New England Association of Labor Retirees, Inc. HealthLink Wellness program and are available to all RI ARA member organization members. These discounted benefits are provided with no monthly premium. Benefit covers member & spouse. For a complete list of participating providers and more information, go to www.ri-ara.org. To register for HealthLink Wellness go to [Register for HealthLink Wellness](#) fill in the form and click submit.

You can also contact John A. Pernorio, RI ARA President at 401-722-2770 or riarajap@hotmail.com.

The RI Department of Motor Vehicles has a new and improved web site

Check it out...<http://www.dmv.ri.gov/>



Social Security & Medicare

Current Facts & Figures

Fact Sheet

2013

About 161 million workers contribute to Social Security through payroll taxes.

Nearly 57 million people receive monthly Social Security benefits, including:

- ◆ 40 million receive retirement benefits
- ◆ 6 million receive survivors' benefits
- ◆ 11 million receive disability benefits.

Average 2013 Monthly Social Security Benefit

- ◆ A retired worker: \$1,261
- ◆ A retired couple: \$2,048
- ◆ Disabled worker: \$1,132
- ◆ Disabled worker with spouse and child: \$1,919
- ◆ Widow or widower: \$1,214
- ◆ Young widow or widower with two children: \$2,592
- ◆ Maximum Monthly Social Security Benefit: \$2,533 (for worker retiring at Full Retirement Age).

Did you know? Social Security is an extremely efficient program, with administrative costs of only 0.9% of total expenditures!

Social Security Cost of Living Adjustment (COLA) for 2013: 1.7%

2013 Social Security & Medicare Contribution Amounts

- ◆ Social Security: 6.2% for workers, which is matched by employers at a rate of 6.2%. This contribution is paid on earnings up to \$113,700.
- ◆ Medicare: 1.45% for both workers and employers on all wages.

2013 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 & 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 office nearest your location.
 - ◆ 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.
 - ◆ Go Online: <https://secure.ssa.gov/apps6z/iClaim/rib>

The Many Faces of Medicare

- About 161 million workers contribute to Medicare through payroll taxes.
- Approximately 52 million people receive Medicare benefits, including:
 - ♦ 43 million individuals 65; and over
 - ♦ 9 million disabled individuals.

2013 Medicare Part A (Hospital Coverage)

- Deductible: \$1,184 (first 60 days of Medicare-covered inpatient hospital care)
- Coinsurance: \$296 per day (Days 61-90)

2013 Medicare Part B (Physician Coverage)

Individual's Income	Couple's Income	Your 2012 Part B Monthly Premium
\$85,000 or less	\$170,000 or less	\$104.90
\$85,001-\$107,000	\$170,001-\$214,000	\$146.90
\$107,001-\$160,000	\$214,001-\$320,000	\$209.80
\$160,001-\$214,000	\$320,001-\$428,000	\$272.70
Above \$214,000	Above \$428,000	\$335.70

For all Beneficiaries:
Part B deductible is \$147 and the Part B copayment is 20%.

2013 Medicare Part D (Prescription Drug Coverage)

- Monthly Premium: Base premium, \$31.17 (amounts vary by plan).
- Deductible: \$325 (maximum), varies by state.
- Doughnut Hole: \$2,970 - \$7,720. The health law mandates that beneficiaries in the doughnut hole receive a 50% discount from drug manufacturers plus 2.5% subsidy from government for brand name drugs and 21% subsidy for generics.
- Cap on Out-of-pocket Costs: \$4,750 (this includes what beneficiaries pay -- deductible and copayments -- plus drug discounts)
- In addition to a monthly premium, high-income individuals will pay an income-related monthly adjustment amount as noted below:

Individual's Income	Couple's Income	Income-related monthly adjustment amount
\$85,000 or below	\$170,000 or below	\$0.00
\$85,001 - \$107,000	\$170,001 - \$214,000	\$11.60
\$107,001 - \$160,000	\$214,001 - \$320,000	\$29.90
\$160,001 - \$214,000	\$320,001 - \$428,000	\$48.30
Above \$214,000	Above \$428,000	\$66.60

Medicare: When & How to Apply for Benefits

- Generally, Medicare is available for people age 65 or older, younger people with disabilities and people with End Stage Renal Disease. If you are already receiving Social Security retirement benefits, you will be automatically enrolled in Medicare Parts A and B.
- If you want to apply for Medicare, call (1-800-772-1213) or visit their website: <http://www.socialsecurity.gov/medicareonly>.

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