Rhode Island Alliance for Retired Americans ©

RI ARA

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

Affiliated with the Rhode Island AFL-CIO

May 20, 2013 E-Newsletter

When Alliance activists speak out, Congress listens!

Momentum is building! Recently, after hearing from Alliance activists like you about the impact of the chained CPI benefit cut. Rep. David Cicilline (D-RI) introduced a resolution in the House opposing the use of the Chained CPI with the support of over 80 cosponsors! Now the Senate is following suit with a similar resolution led by Senators Tom Harkin (D-IA), Bernie Sanders (I-VT) **Jack Reed, (D-RI)** and **Sheldon Whitehouse (D-RI).** These Senators introduced S.CON.RES.15 opposing the use of the Chained CPI and we need your help to encourage others to get co-sponsorship! Senators across the country quickly joined to cosponsor the Senate Resolution, S.Con.Res. 15, opposing the Chained CPI Benefit cut. Most recently, Senators Kay Hagan (D-NC) and Richard Blumenthal (D-CT) cosponsored this important resolution.

Today, Monday, May 20th at 3:30 EST, the RI ARA President, along with the Alliance is holding a special tele-town hall briefing with Senator Harkin (D-IA) and Alliance activists like you. On the call, Senator Harkin will talk about the Strengthen Social Security Act and other efforts to protect retirement security. In addition, we will talk about Alliance activities happening in your state and how you can get involved to protect retirement security.

Thank you to everyone who has called, emailed and spoken out against the chained CPI benefit cut. This is the kind of impact we can have when seniors who don't want to be part of the last generation to retire get active. So thanks for adding your voice!

Let's keep the drumbeat going! Can you help us multiply your impact by asking 5 friends, neighbors or family members to speak out about the chained CPI ? Click here.
We need to make sure everyone who opposes the chained CPI benefit cut makes their voice heard. Please ask everyone you know who does not want to be part of the last generation to retire to join you in opposing the chained CPI Benefit cut by clicking here.

Thanks so much for speaking out about the chained CPI benefit cut. With the help of Alliance activists like you, we will be able to defeat this cold, calculated cut to our retirement security.

Providence Journal: Bid to Curb Payday Loan

Local organizations from the AARP to the AFL-CIO made their annual appeal to state lawmakers on Wednesday to curb the interest rates so-called "payday lenders" can charge in Rhode Island. **The RI ARA is part of the Coalition.**

During testimony before the House Finance Committee, they argued that the short-term loans — limited to no more than $500 and meant to be paid back in about two weeks — drain as much as $1 million a year from the local economy.

The loans' high-interest rates, they said, take money away from the elderly residents living on fixed incomes and families living paycheck-to-paycheck and send it to out-of-state corporations.

"Every dollar spent on interest is a dollar that is not going into the state economy," said Libby Kimzey, of the Capital Good Fund, a Providence-based nonprofit that she says offers lower-cost alternatives to payday loans.-READ MORE

Do you have a payday lending story to tell? Email your story here and don't let others fall in the payday lending trap.

Rhode Island Alliance *for* Retired Americans, Inc. • 94 Cleveland Street • North Providence, RI • 02904-3525
401-722-2770 • **www.ri-ara.org** • **riarajap@hotmail.com**

Affordable Care Act Repeal Votes Have Cost More than $52 Million

The House voted 229-195 on Thursday to pass H.R. 45, legislation repealing the Affordable Care Act. Thursday was at least the 43rd day since Republicans took over the House that they have devoted time to vote on bills to repeal or defund the 2010 legislation designed to provide health coverage for the uninsured. Since 2011, Republicans have spent no less than 15 percent of their time on the House floor on repeal in some way. Based on time spend to operate the Capitol, the GOP anti-health crusade has so far cost American taxpayers a total of $52.4 million (source: House Minority Leader **Nancy Pelosi's** office). To read more, see the *New York Times* article at **http://tinyurl.com/aqwqthj**. For a tally of the Thursday vote, go to **http://tinyurl.com/ahxedgp**.

Fees for Medical Procedures Vary Inexplicably from Hospital to Hospital

There are often huge, discrepancies in fees hospitals charge for the same procedure. Count **Jonathan Blum**, Medicare's deputy administrator, among those who don't understand the logic the hospitals use to arrive at those fees.

''It doesn't make sense," Blum said when asked to explain the reason. He noted that the higher charges don't necessarily reflect better care. Even the American Hospital Association calls the current billing system, "complex and bewildering," says *USA Today*.

To bring some clarity to the pricing, the Centers for Medicare and Medicaid Services published the costs for 100 common procedures at 3,337 hospitals **(whttp:///www.cms.gov).** The government hopes publishing comparative costs will promote competition and lower prices, especially as the Affordable Care Act begins taking effect.

"Geographical location; the complexity of the ailment; the length of the hospital stay; and the cost of running a teaching hospital are all factors," said **Ruben Burks**, Secretary-Treasurer-of the Alliance. "But even if all the known factors are taken into account, the numbers are mystifying."

According to the Associated Press (**http://tinyurl.com/aqu9ubb**), the wide discrepancy in prices also cannot be totally explained by factoring in the cost of treating older, sicker or indigent patients. AP found that, exclusive of the doctors' fees, the average charge for a joint replacement ranged from about $5,300 in Ada, Okla., to $223,000 in Monterey Park, Calif.

Private insurers, Medicare and Medicaid negotiate their own reimbursement rates with hospitals and doctors. The uninsured are often carried on the hospital's books as being charged the full rate, but that amount is negotiated based on the patient's ability to pay, and the truly indigent don't pay at all.

Cutting Social Security and Not Taxing Wall Street

Huff Post, Business

As we move toward the fifth anniversary of the great financial crisis of 2008, people should be outraged that cutting Social Security is now on the national agenda, while taxing Wall Street is not. After all, if we take at face value the claims made back in 2008 by Fed Chairman Ben Bernanke and former Treasury Secretaries Henry Paulson and Timothy Geithner, Wall Street excesses brought the economy to the brink of collapse.

But now the Wall Street behemoths are bigger than ever and President Obama is looking to cut the Social Security benefits of retirees. That will teach the Wall Street boys to be more responsible in the future.

Most people are now familiar with President's Obama's proposal to cut Social Security by reducing the annual cost-of-living adjustment (COLA). While the final formula is somewhat convoluted, the net effect is to reduce benefits by an average of roughly 3.0 percent.

Since Social Security benefits account for more than 70 percent of the income of a typical retiree, this cut is more than a 2.0 percent reduction in income. By comparison, a wealthy couple earning $500,000 a year would see a hit to their after-tax income of just 0.6 percent from the tax increase that President Obama put in place last year.

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Cutting Social Security and Not Taxing Wall Street

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While President Obama is willing to make seniors pay a price for the economic crisis, his administration is unwilling to impose any burdens on Wall Street. Specifically, it has consistently opposed a Wall Street speculation tax: effectively a sales tax on trades of stock and derivatives. The Obama administration has even used its power to try to block efforts by European countries to impose their own taxes on financial speculation.

If the idea of taxing stock trades sounds strange, it shouldn't. The United States used to impose a tax of 0.04 percent until Wall Street lobbied to eliminate it in the mid-1960s. Many countries, including the United Kingdom, Switzerland, China, and India already impose taxes on stock trades.

The tax in the UK is 0.5 percent on stock trades (0.25 percent for both the buyer and the seller). It dates back more than three centuries. The country raises more than 0.2 percent of GDP ($32 billion in the United States) from the tax each year. The tax has not prevented the London stock exchange from being one of the largest in the world.

There are currently two bills in Congress for a similar tax in the United States. A bill by Minnesota Representative Keith Ellison would impose the same tax as the UK on stock trades and would apply a scaled rate to options, futures, credit default swaps and other derivative instruments. It could raise more than $150 billion annually or more than $2 trillion over the ten year budget window.

A second bill has been put forward by Iowa Senator Tom Harkin and Oregon Representative Peter DeFazio. This bill would apply a 0.03 percent tax to trades of stock and a wide range of other financial assets. According to the Joint Tax Committee, the bill would raise close to $40 billion a year or over $400 billion over a ten-year budget window once it is implemented.

Unfortunately the administration has consistently opposed both bills. It claims that it is concerned about the incidence of these taxes -- that ordinary investors would see large burdens from the tax. It also claims to be worried that the taxes will disrupt financial markets by making trading more costly.

Neither of these stories passes the laugh test. Ordinary investors don't trade much, and therefore are not going to feel much impact from the tax. If someone with $100,000 in a 401(k) (this is much larger than the typical 401(k)) turns it over at the rate of 50 percent annually, they would pay $15.00 each year as a result of the Harkin-DeFazio tax.

Furthermore research shows that investors reduce their trading as costs increase. This means that if the tax increases trading costs by 20 percent, then investors will reduce their trading by roughly the same amount (in this example, turnover would fall to 40 percent annually). That means that the net cost of turnover in a 401(k) will barely change for a typical investor as a result of the tax. Wall Street would just see much less business.

So the Obama administration wants us to believe that it is willing to cut the Social Security benefits of retiree living on $15,000 a year in Social Security by $450 but it opposes a Wall Street speculation tax because it is concerned that investors with $100,000 in a 401(k) may pay a few dollars a year in additional trading costs. Only a reporter with the *Washington Post* would believe a story like that.

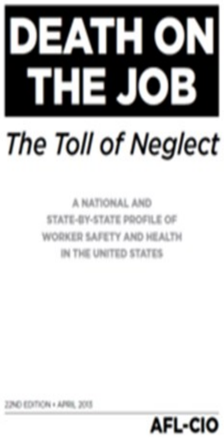
The other part of the Obama administration's story is equally laughable. The cost of financial transactions has plummeted in the last four decades because of computers. Even the Ellison tax rate would just raise costs back to their mid-'80s level. The Harkin-DeFazio tax rate would probably still leave costs lower than they were in 2000.

The country certainly had a vibrant capital market and stock exchange in the 1980s, taking costs part of the way back to this level will not prevent Wall Street from serving its proper role of transferring capital from savers to borrowers. It will just clamp down on speculation.

The basic story is very simple. Wall Street bankers have a lot more political power than old and disabled people who depend on Social Security. That is why President Obama is working to protect the former and cut benefits for the latter.

THOSE UNION THUGS AT IT AGAIN

Three members of Machinists (**IAM**) **Local 264** in Boston were **honored for their bravery** and quick thinking in response to the Boston Marathon bombings on April 15. John Foley, Dave Litif and Mike Rown, who were **volunteering** at the finish line of the marathon, immediately moved to tear down barricades around the blast site to help people leave the area and began treating the wounded….**Read More**



Rhode Island Public Radio: Rhode Island at the Bottom of List for Workplace Fatalities

Rhode Island comes up short on a lot of state ranking studies, but here's one where we excel. According to the AFL-CIO, a Rhode Islander's chances of dying on the job are lower than practically anywhere in the country.

Rhode Island has the second lowest rate of on-the-job fatalities of any state in the country, according to "Death on the Job," a report published last week by the AFL-CIO. In 2011 just seven Rhode Islanders died in workplace accidents. That's a rate of 1.5 deaths per 100,000 workers – less than half the national rate. Rhode Island AFL-CIO president George Nee attributes it to the relatively strong presence of unions in the Ocean State.**- READ MORE**

Listen to Rhode Island AFL-CIO President George Nee Discuss Rhode Island's low worker fatality rates and why unions play a major role in keeping Rhode Island workers safe.

LISTEN NOW

READ THE FULL REPORT

Providence Journal: Bid to Raise Top Earners' Rate Debated

Advocates of a hike in the income tax rate for Rhode Island's top-earners packed a legislative hearing room Wednesday, May 15th for one last union-backed push to raise up to $161.9 million in additional revenue for the state next year alone.

What one side called a "jobs-creation bill," the other called an "economic devastation bill."

"The bills before you are more than just a revenue generator, they are truly jobs creation bill[s]," said Ken DeLorenzo, executive director of the largest state employees union: Council 94, American Federation of State County and Municipal Employees.

"With extra money we can actually fix bridges. We can actually create construction jobs to fix the roads … the schools. We can give [much-needed] money to the developmentally disabled programs that have lacked funding," he told the House Finance Committee.

"The reason for having income tax increase isn't to punish wealthy people. It is to secure adequate state resources to get the job done that needs to get done," echoed James Parisi, the chief lobbyist for the Rhode Island Federation of Teachers & Health Professionals.- READ MORE

New York City fast-food workers today said 84 percent of them were robbed of their wages by their employers. They released a report that said employers are forcing them to work off the clock, failing to pay overtime or making them work during their breaks. ThinkProgress tells us the report, from an Anzalone Liszt Grove research survey of 500 of the city's fast food workers, found:

More than 8-in-10 employees (84%) report being victims of wage theft over the course of the last year; 66% report at least two abuses, 45% report at least three, and more than thirty percent of employees (31%) report being victims of at least four of these practices….**Read More**

THINGS TO THINK ABOUT