

September 27, 2011

To: All NRLN Grassroots Network Members

From: NRLN President Bill Kadereit

Subject: **NRLN Action Alert – Congress Needs to Support Retirement Security**

A number of your fellow retirees put forth considerable effort to participate in last week's third annual NRLN Washington, DC Fly-In to serve as a voice for retirees in meetings with members of Congress and their staffs. The Fly-In participants had numerous appointments in Congressional offices, but could only meet with a fraction of the 535 Representatives and Senators or members of their staffs.

As a follow-up to our efforts on Capitol Hill, I am asking you to send the NRLN's sample letter (copy below) to your elected representatives to encourage them to support the NRLN issues that your fellow retirees were advocating in their meetings. Those issues included preventing cuts in Social Security and Medicare; protecting pension plan assets; safeguarding retirees' pensions and benefits in corporate mergers, acquisitions and spinoffs, and lowering the cost of prescription drugs.

- **Click here** ( <http://capwiz.com/abtr/home/> ) to access the NRLN Action Alert. Look for the Action Alert headline: CONGRESS NEEDS TO SUPPORT RETIREMENT SECURITY. Then click on the "Take Action" button. On the next screen, type in your zip code and click "GO" to identify your elected representatives and access the sample letter to email to Washington.
- If you have a problem accessing the Action Alert with the above link, go to [www.nrln.org](http://www.nrln.org) and click on the "Take Action Now" link near the top of the NRLN home page.

Sending your emails to your Representative and Senators will serve as an important supplement to the personal contacts that NRLN and retiree association leaders made on Capitol Hill.

During the NRLN Fly-In's orientation session, Ellen Schultz, an award-winning writer for the Wall Street Journal, gave a presentation about her newly released book, *Retirement Heist: How Companies Plunder and Profit from the Nest Eggs of American Workers*. Her talk was videotaped for airing on C-SPAN2 Book TV. You may want to watch the program on Sunday, October 2nd, at 9:00 a.m. and 7:00 p.m. or on Monday, October 3rd, at 6:30 a.m. The times are Eastern Time. **Click here** (<http://www.booktv.org/Program/12833/Retirement+Heist+How+Companies+Plunder+and+Profit+from+the+Nest+Eggs+of+American+Workers.aspx> ) to read more about the program on the C-SPAN Book TV website.

Bill Kadereit, President  
National Retiree Legislative Network

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**Sample Letter:**

Dear Representative \_\_\_\_\_: or Dear Senator \_\_\_\_\_:

On September 20th and 21st, a number of my fellow retirees affiliated with the National Retiree Legislative Network (NRLN) were in Washington, DC to visit Congressional offices to advocate the protection of Social Security and Medicare. They also urged support for three of the NRLN's top legislative agenda priorities— lowering the cost of prescription drugs; protecting pension plan assets, and safeguarding retirees' pensions and benefits in corporate mergers, acquisitions and spinoffs.

Since your office might not have had a visit from an NRLN Grassroots Network Member, I am writing to request your support of the NRLN's position on Social Security, Medicare and the other three retirement security issues that were communicated to a number of Representatives, Senators and their staff members.

I urge you to communicate to the 12-member Joint Select Committee on Deficit Reduction that retirees should not have the major burden of putting our nation's financial house in order. Social Security is fully funded for the next 25 years. The NRLN believes its long-range funding gap should be closed through modest increases in the payroll tax rate and increasing the cap on maximum wages subject to the tax, which is currently \$106,800 a year. In the face of the impending Social Security Trust Fund crisis, it was a mistake in 2010 for Congress to reduce the Social Security payroll tax for workers from 6.2% to 4.2%. It would be even more devastating for Congress to pass the proposal in "The American Jobs Act" that the FICA tax holiday for workers be increased to a 50% reduction, lowering it to 3.1% and cut employers' share for the payroll tax in half through the first \$5 million in payroll.

I urge you to support the NRLN's opposition to the proposal that would shift the current accounting calculations for the Social Security Cost of Living Adjustment to the less accurate and less-generous Chained Consumer Price Index (CPI). The chained CPI is a deceptive way to cut benefits for Social Security beneficiaries because seniors have higher expenses for healthcare than the average American.

The NRLN also opposes raising Social Security's full and early retirement ages. Congress' 1983 decision to move full retirement age to 67 by 2022 has not decreased the federal budget deficit, nor will a further increase in the retirement age do so now. Moreover, longevity gains that proponents cite for increasing the eligibility age have been concentrated among more affluent Americans. Keep in mind that about 43% of single seniors and 22% of senior married couples rely on Social Security for more than 90 percent of their income. More than half of senior couples and 73% of single seniors draw more than half their income from Social Security. In addition, a higher retirement age will require older Americans to continue working when employment trends in the private sector favor younger rather than older workers.

I agree with the NRLN that Medicare is not a welfare program; it is a covenant with the American people. There is an obligation to meet the funding requirements for Medicare, not run from this covenant. We believe that cutting benefits is not appropriate as long as there is genuine and obvious waste to remove from the federal budget.

Congress must see to it that the full force of the federal government is brought to bear against Medicare fraud, including prison time for defrauding the Medicare system. Fair and equitable fees must be set for physicians and health care facilities to ensure that Medicare participants have access to the services at a reasonable cost.

The effect of unemployment on payroll tax revenue for Medicare; the surge in baby boomer eligibility, and rising health care costs can't be offset by slashing Medicare benefits without regard to the Medicare covenant with Americans. Congress must increase the Medicare tax on workers and employers until such time as taxes can again fund 60-65% of the Medicare budget.

I hope you recognize that of the \$1.3 trillion of new debt projected in the August Congressional Budget Office report for 2011, only 20% is for Social Security, Medicare and Medicaid and nearly all of it is Medicaid debt. The balance, \$1.0 trillion, is for other non-welfare budget items, funded and spent in 2011.

The ever increasing cost of prescription drugs is another issue of concern that my fellow retirees communicated during their recent meetings on Capitol Hill. The NRLN has researched and written a white paper that presents compelling evidence that the federal government could save a projected \$730 billion over the next 10 years by enacting the NRLN's prescription drug cost-saving proposals. These include (1) Allow re-importation and importation of safe prescription drugs approved by the FDA; (2) Develop Medicare formularies and take competitive bids for prescription drugs; (3) Prevent drug companies from colluding to control pricing or subvert free market practices. (4) Reduce the FDA's approval backlog on generic drugs.

I would like to hear from you that you will support the following bills:

**S. 319: Pharmaceutical Market Access and Drug Safety Act of 2011** would allow the re-importation and importation of FDA-approved medications from countries with tough safety standards. This would make it possible for Americans to buy more affordable prescription drugs from countries where prices are 35% to 55% lower than in the U.S.

**S. 44: Medicare Prescription Drug Price Negotiation Act of 2011** and **H.R. 2248, Medicare Prescription Drug Price Negotiation Act of 2011** would direct the Secretary of Health and Human Services (HHS) to negotiate with pharmaceutical manufacturers the prices that may be charged to Medicare Part D prescription drug plans.

**S. 27: Preserve Access to Affordable Generics Act** would (1) enhance competition in the pharmaceutical market by stopping anticompetitive agreements between brand name and generic drug manufacturers; and (2) support the purpose and intent of antitrust laws by prohibiting anticompetitive practices that harm consumers in the pharmaceutical industry.

In the folders that my fellow retirees presented to members of Congress and their staffs were Executive Summaries of the NRLN's whitepapers on prescription drugs; protection of pension assets; safeguarding retirees' pensions and benefits in corporate mergers, acquisitions and spin-offs; and Social Security and Medicare. All can be accessed at ([www.nrln.org/NRLN-Fly-in.pdf](http://www.nrln.org/NRLN-Fly-in.pdf)). I urge you to read them. Also, I encourage you to read the retirement hardship stories recently submitted by NRLN members to include in the folders presented to members of Congress. The "Retirees' Testimonials" document is available at: <http://www.nrln.org/flyin%20whtpprs/Retiree%20Testimonials.pdf>.

At the NRLN's orientation session on September 19th, Ellen Schultz, an award-winning writer for the Wall Street Journal, made a presentation about her newly released book, *Retirement Heist: How Companies Plunder and Profit from the Nest Eggs of American Workers*. Ms. Schultz's talk was videotaped for airing on C-SPAN2 Book TV on October 2nd and 3rd. I hope you will read the book to gain an in depth understanding of how many employers siphon billions of dollars from pension trusts to finance downsizings, sell the assets in mergers, and sweeten executives' bonuses and pensions.

As my elected representative in Congress I ask that you be considerate of retirees and their limited ability to gain additional income during these difficult economic times. Keep us in mind when you discuss changes to Social Security, Medicare and laws governing pensions and health care. Congress must do what is right and fair for retirees! That's why we are here watching and acting on the behalf of all retirees.

Sincerely,