



# NRLN Focus



Volume 15, Issue 1

Spring 2018

## ***The NRLN Clarion Call...Retirement Issues Advocated in Washington, DC*** By Bill Kadereit, NRLN President



### **During NRLN Spring Conference**

Enduring bone-chilling wind while waiting in long spring break lines to clear security at Capitol Hill buildings, did not deter leaders of the NRLN, retiree associations and chapters from appointments with Representatives, Senators and their staffs to advocate retirement issues during the NRLN's Annual Leadership Conference in Washington, DC, March 12-14, 2018.

#### **NRLN President Talks Income Security**

NRLN President Bill Kadereit opened the Monday afternoon session at the Holiday Inn Capitol with a presentation on the need for income security for seniors as the number of Americans age 65 and older grows to a projected 74.1 million in 2030 to 98.1 million in 2060.

He also presented data from the Trustees for Social Security and Medicare 2017 annual report that \$31.6 billion is needed annually to fully fund the two programs. He pointed out information from Congress that in 2016 the federal government made \$96 billion in improper Medicare and Medicaid payments. Counting two other programs improper payments totaled \$144.3 billion, up from \$107.1 billion just since 2012. He emphasized that if the administration eliminated just one-third of the \$96 billion in improper payments annually it would take the funding of Social and Medicare "off the table" for the next 75 years.

#### **NRLN Executive Director Covers Congress Activities**

Alyson Parker, NRLN Executive Director, gave her perspective on key retiree-related activities in Congress.

The bipartisan budget agreement reached on February 7 included the formation of the Joint Select Committee on the Solvency of Multiemployer Pensions plans. The committee has eight members from the House and eight from the Senate, split evenly between Republicans and Democrats. The law requires it to hold public hearings and vote on legislative recommendations by Nov. 30, 2018 to address the \$63 billion shortfall plaguing multiemployer pension plans. If four members from each party agree to a compromise, the agreed upon legislative language will go to the House and Senate floor with no amendments allowed.

Parker said a bill supported by the NRLN (H.R.2212 / S.974), the Creating and Restoring Equal Access to Equivalent Samples (CREATES) Act, has a chance of being included in a government funding bill. The CREATES Act targets abusive delay tactics that are being used by brand-name prescription drug makers to block entry of more affordable generic drugs.

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She noted that the two-year budget agreement reached by Congress on February 9 included a change to the Medicare Part D prescription drug plan “donut hole”, the coverage gap that forces some senior to pay the full cost of their prescriptions out-of-pocket. Starting in 2019, a year earlier than previously scheduled, participants under Part D will pay their deductible and then the plan pays 75% cost of prescription drugs until they reach \$5,000 when catastrophic coverage kicks in for medications.



Luke Newgaard (right), Legislative Assistant, for Rep. Daniel Webster (FL-11) meets with Ray Pasternak, President, NRLN Villages (FL) Chapter, NRLN President Bill Kaderait and Alyson Parker, NRLN Executive Director



Diane Oakley,  
NIRS Executive  
Director

### Retirement Security Crisis Ahead

Diane Oakley, Executive Director, National Institute on Retirement Security (NIRS), made a presentation on “Retirement Security in America: Crisis Ahead and Helping All to Build Retirement Savings”. She presented data on why defined benefit (employer-sponsored) pensions are better for Americans than defined contribution (401k) plans. The shift from defined benefit pensions to defined contribution plans or without employer-related retirement savings plans is leaving working Americans—particularly young workers—at risk in retirement.

NIRS research has shown that 88% of Americans feel strongly that the nation faces a retirement crisis and retirement insecurity will be a drag on the nation’s economy. About three-fourths of working Americans say they will work as long as possible or cut spending in retirement to be secure in retirement.

Eighty-one percent of Americans say they would consider participating in a state retirement plan where they would make voluntary payroll deduction to go into a savings plan. Ten states (west coast, New England area plus Illinois) have adopted voluntary savings plans and 30 more states are considering creating voluntary savings plans.

### Dialogue with PBGC Official



PBGC Officials Michael Rae  
and Anne Henderson

Michael Rae, Deputy Chief Policy Officer, Pension Benefit Guaranty Corporation, had a dialogue with attendees on the status of single employer pensions and multiemployer pensions (i.e. groups of truck drivers, construction workers, miners, etc.). He said the PBGC’s safety net for single employer pensions is in good shape. There are \$116 billion in liabilities and \$107 billion in assets. Much of this status is attributable to Congress raising the premiums that employers pay to the PBGC for each person in its pension plan. Also, the PBGC has not had to take over a termination of a large corporation’s pension plan.

The PBGC only has assets of \$2 billion to cover \$67 billion in liabilities. The rules governing single employer plans and multiemployer plans are in separate sections of the Employee Retirement Income Security Act (ERISA). Rae acknowledged there is no easy fix for the multiemployer plans. He spoke briefly about the Committee in Congress that has been formed to address the underfunding of multiemployer plans.

### PBGC Uses Social Media

Anne Henderson, PBGC Senior Advisor for External Affairs, talked about the ways to gain information from the PBGC by phone: 1-800-400-7242; website: <https://www.pbgc.gov>. Under the website’s “Workers and Retirees” tab there is a link to check for unclaimed pension benefits.

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Four PBGC staff members came with Rae and Henderson to have a private discussion with Vern Larson, President, NRLN Avaya Retirees Chapter. As the result of the Avaya corporate bankruptcy the management employees' pension plan was terminated by the bankruptcy court. The PBGC is in the process of taking over the responsibility of making pension payments to Avaya management retirees.



Joe Dombrowski (left), President, Lucent Retirees Organization (LRO), and Francis Topolski, LRO member and NRLN New Jersey State Leader, discuss pension protection legislation with Elaina Houser, Legislative Director, for Rep. Bill Pascrell, Jr. (NJ-09)

### **NRLN Strategic Adviser's Presentation**

Michael Calabrese, NRLN Strategic Adviser, made a presentation on the whitepapers he wrote that included proposed legislative language that could be inserted into a bill to accomplish the desired pension protection objectives. These whitepapers, available at [www.nrln.org](http://www.nrln.org) under the Legislative Agenda tab, included:

- Protecting Retirees in Pension Plan Mergers
- Protecting Retirees in Corporate Mergers, Acquisition and Spin-Offs
- Protecting Retirees in Corporate Bankruptcy

The executive summary from the whitepapers and legislative language plus talking points based on the whitepapers were used on Tuesday and Wednesday to educate Representatives, Senators and their staffs on the need for legislation to protect retirees defined benefit pension plans.



NRLN President Bill Kadereit (left) and Jim Odle (center) President, NRLN DuPont Retirees Chapter, advocate retirement issues with Joel Heimbach, Legislative Counsel, for Texas Senator Ted Cruise

### **Congress Needs to Act on Rx Prices**

Ed Beltram, NRLN Vice President – Communications, who wrote the whitepaper on Prescription Drug Price Gouging, briefed the attendees on the talking points in the folder for Capitol Hill appointments. The talking points featured the high prescription drug prices experienced by five NRLN members the dozens who have responded to the NRLN's surveys on prescription drug prices. The examples helped make two points the NRLN is advocating:



Nebraska Senator Deb Fischer (center) and Steven Selde (right of Senator) dialogue with Vern Larson (left of Senator), President, NRLN Avaya Retirees Chapter, about needed reforms to corporate bankruptcy law. Included in the discussion are NRLN President Bill Kadereit and Alyson Parker, NRLN Executive Director

1. Congress should remove the prohibition on Medicare competitive bidding. There should be a competitive bidding mandate applied wherever two or more FDA approved brand name drugs, or two or more generic drugs, or a generic and brand drugs (upon patent expiration) treat the same medical condition. **The NRLN supports the passage of S. 41 and H.R. 242 Medicare Prescription Drug Price Negotiation Act** and other bills that would allow Medicare to do competitive bidding.
2. Seventy-two percent of Americans said in a Kaiser Health Foundation survey in May 2017 that importing Canadian drugs would lower costs without affecting quality. **The NRLN supports passage of**

**S. 92 and H.R. 1480, Safe and Affordable Drugs from Canada Act** and other bills that would allow personal importation of prescription drugs from approved Canadian pharmacies.

### **HHS Secretary Should Use His Authority**

The high cost of prescription drugs section of the folder also included a copy of a letter that NRLN

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President Bill Kadereit sent to the new Secretary of Health and Human Services, Alex Azar, on January 31, 2018. The letter pointed out that the Secretary of HHS has the authority under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to issue an order to begin legal importation from Canada. (See the “HHS Secretary Azar Rx” link under the “Letters to Washington” tab at [www.nrln.org](http://www.nrln.org). During the Capitol Hill appointments, it was requested that members of Congress also write letters to the HHS Secretary, urging him to authorize the importation of safe, lower priced drugs from Canada.

### Organizations Represented at Conference

Represented at the conference in addition to the NRLN leaders were NRLN Avaya Retirees Chapter; Detroit Edison Alliance of Retirees (DEAR); NRLN DuPont



Deb Morrisett (center) National Chrysler Retirement Organization Director (NCRO), explains NRLN legislative issues to Michigan Senator Gary Peters. To Deb's right is Bob Barrette, Detroit Edison Alliance of Retirees (DEAR) and to her left is Janet Seefried, DEAR President, and Ray Pasternak, NCRO member and President, NRLN Villages (FL) Chapter

Retirees Chapter; Eastman Kodak Retirees Association (EKRA); Engineering Retirees Society (ERS Boeing); Lucent Retirees Organization (LRO); National Chrysler Retirees Organization (NCRO); NWB-US WEST-Qwest Retirees Association, NRLN Pacific & Mountain Region; and TelCo Retirees Association.

### Advocating NRLN's Legislative Agenda

The conference was attended by 21 individuals who participated in more than 40 appointments on Capitol Hill. They covered in the Tuesday and Wednesday meetings with Representatives, Senators and staff members the NRLN legislative agenda issues they were briefed on in the Monday afternoon session.

- Corporate bankruptcy laws don't offer fair treatment for retirees facing loss of their pension and other benefits comparable to those afforded to secured creditors. It is important to retirees for Congress to act on the NRLN's proposed bankruptcy law amendments.
- Legislation is necessary protect retirees from pension losses during corporate mergers, acquisitions and spin-offs. NRLN provided proposed legislative amendments for consideration.
- The NRLN is concerned about a new form of financial engineering: the merging of pension plans to benefit the plan sponsor by combining plans with very different levels of plan assets and liabilities. The PBGC not only lacks advance notice of intra-firm mergers, the agency has waived the requirement for post-event reporting of plan mergers. The NRLN believes that legislation is needed to require plan mergers to be reviewed in advance by the PBGC and IRS and challenged as appropriate. NRLN offered proposed legislative amendments to address this shortcoming.
- The high cost of prescription drugs is causing hardships for millions of Americans, especially



Following the Nebraska Breakfast, Senator Ben Sasse (center) talks with Vern Larson (standing) President, NRLN Avaya Retirees Chapter, Cindy Hadsell, Legislative Director for the NWB-US West-Qwest Retirees Association, and NRLN President Bill Kadereit, before asking his Legislative Counsel, Ammon Simon, to listen to the NRLN's legislative proposals



Art Roberts (right) President, Eastman Kodak Retirees Association (EKRA), explains the need for legislation to protect retirees pensions in corporate mergers, acquisitions and spin-offs to Robert Gardner and Matthew Fuentes, staff members, for New York Senator Chuck Schumer. Included in the conversation are NRLN President Bill Kadereit and Alyson Parker, NRLN Executive Director



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retirees on fixed incomes. Existing bills should be passed to allow Medicare to negotiate prices and allow the importation of safe, lower priced drugs from Canada.



Judy Stenberg (left), NRLN Vice President - Pacific & Mountain West Region, goes over NRLN legislative proposals with Maxine Sugarman, staff member, for Rep. Suzanne Bonamici (OR-01)

## NRLN Reaching Out with Facebook and Twitter

The NRLN is making a concerted effort to extend it reach to retirees and future retirees through the use of social media. At this time the focus is gaining followers on Facebook ([www.facebook.com/nrln1](http://www.facebook.com/nrln1)) and Twitter ([www.twitter.com/nrln3](http://www.twitter.com/nrln3)).

Pew Research Center began tracking social media use in 2005 when just 5% of American adults (18 and older) used at least one of the social media platforms. In its January 10, 2018 report 68% of American adults use Facebook and 24% use Twitter.

The Pew Research Center data showed, as you would expect, 88% of Americans ages 18-29 use social media. In the 30-49 age group 78% use social media. Americans 50-64 have a usage of 64% and ages 65 and older 37%.

In the NRLN's last opinion survey, of the 6,425 who identified their age group 57.8% said they were older than age 70. The 65-70 age group accounted for 28.3% of the responders. The 55-64 age group was 12.9%; ages 50-54 was 0.56% and under age 50 was 0.34%.

"When members of Congress talk about the need to "reform" Social Security and Medicare it is usually those ages 50 to 65 who are the ones targeted for the greatest loss of benefits," said NRLN President Bill Kadereit. "I believe the NRLN has an obligation to reach out to age 50-plus Americans to let them know that the NRLN is looking out for them as retirees and future retirees.

"Americans over age 65 are becoming more aware that if we were to lose Social Security and/or Medicare, their children and grandchildren will face financial distress if they have not save enough to live past age 80. It's a double edge sword, Kadereit said, health care costs are booming higher and income sources will be critical"

Kadereit asked that readers of this article who have Facebook accounts and/or Twitter accounts to become "friends" of NRLN1 and "followers" of NRLN3 and share the NRLN's messages with their Facebook "friends" and Twitter "followers". He said he expects many will sign-up on [www.nrln.org](http://www.nrln.org) to receive NRLN Action Alerts and other messages and hopes they will become individual contributing members of the NRLN. (Over 80% of the NRLN's annual budget is from personal contributions.)

"We believe our brief messages posted on Facebook regarding pensions, health care, prescription drugs, Congress's actions—or the lack of actions—have information that is important for older Americans to know," Kadereit noted. "Click a "Like" and "Share" to extend the NRLN's exposure."

Kadereit said the use of Facebook's "Boost" feature provides the NRLN the capability, at a very small price, for its messages to go to thousands of 50 and older Americans in specific states or across the

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nation.

“Our Tweets will not be as many as our Facebook postings, but our Tweets will be pointed to very important issues that need to attract attention and hopefully cause our followers to send their personal Tweets on the same issue.” Kadereit said.

The NRLN appreciates the comments such as the following posted on [www.facebook.com/NRLN1](http://www.facebook.com/NRLN1):

“I have been a member for 15 years. Invaluable source for retirees relating to their benefits and actions to preserve them. An organization that is looking out for you.”

“The NRLN group is always fighting to save Our Rights as Retirees for Monies that We Have paid into for Most of Our Working Lives, such as Social Security, Medicare, and Retirement Benefits. Please Join up with Us in Our fight to save these Retirement Rights that We have earned. We need every Retiree to join NRLN and Help Us preserve our Retirements and fighting with People that try and steal what we have worked for.”

“The updates and information from NRLN are an excellent way to gather information on what is happening currently to those persons "of a certain age"...considering the fact that many of our congressmen and senators also fit that criteria, it is hoped they would have more empathy/sympathy for the "babyboomer" generation and a group such as the NRLN is there make sure they do!”



## A View From Washington

### Legislative Outlook for 2018

by Alyson Parker , NRLN Executive Director

The legislative process can be very frustrating because even though WE can see very clearly what needs to be done to address issues that negatively impact retirees and people over 50, Congress moves very slowly sometimes taking years to get done what seems so obvious.

This process is even slower due to the partisanship and bickering that plagues this Congress and Administration. We can't give up though because doing nothing is not an option and even though the progress we make is not always tangible, we do make a difference. Evidence of this is action taken on the “donut hole”. Beginning in 2019, a year earlier than previously scheduled, Part D enrollees will pay 25 percent of the cost of all their prescription drugs from the time they enter the “donut hole” until they reach catastrophic coverage. Members of the NRLN advocated for this change through meetings and messages to their members and it eventually paid off.

#### High Cost of Prescription Drugs

I believe we will see additional action this year on prescription drugs. This is an area where both Republicans and Democrats agree that something needs to be done and the President addressed the need in his State of the Union address. Just this week, President Trump said that his administration will announce new measures within a month to address Americans paying a lot more for the same drug made from the same plant than people from other countries. Additionally, the FDA Commissioner in mid-February called out drug companies for gaming the system and blocking competition and promised to take action.

We probably will not see action this year on allowing importation of prescription drugs or allowing Medicare to negotiate drug prices when there are two drugs that address the same condition.

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These are two solutions that the NRLN strongly supports, but there is not enough bipartisan support. There is, however, a strong bipartisan push to address the tactics that large pharmaceutical companies use to keep generics off the market.

### **CREATES Act Has Bipartisan Support**

The Creates Act (H.R. 2212 and S. 974) has strong bipartisan support in the Senate from Senators Chuck Grassley (IA), Dianne Feinstein (CA), Pat Leahy (VT), Dick Durbin (IL), Susan Collins (ME), Mike Lee (UT), Ted Cruz (TX) and Rand Paul (KY) and others. The bill also enjoys wide support by many in the house and by outside organizations on the left and the right. Senator Grassley tried to attach this bill to moving legislation earlier in the year and Rep. Marino has been in talks with the Speaker about attaching it to legislation that is moving in the House.

This legislation promotes drug competition by allowing generic drug makers access to the formula and samples of the name brand drug so they can meet FDA's testing requirements in order to go to market. Some drug companies have avoided competition by refusing to provide the samples necessary for the testing. This bill takes aim at these anticompetitive practices.

### **Multi-employer Pension Deficit**

I also expect there will be movement on a legislative solution to the multi-employer pension deficit. Congress created a special bipartisan committee made up of Senators and Representatives to come up with a solution by the end of November 2018. The special committee will hold multiple hearings to hear from industry and pensioners during the year as the committee tries to come up with a solution to this complex problem. NRLN will watch these proceedings closely and participate as needed.

The committee is not considering single employer plans, but nevertheless, we will be vigilant to ensure that single employer plans are not negatively impacted by any of the proposed solutions and offer support where needed. The NRLN opposes cuts to benefits as a fix to the multi-employer problem as it may set a precedent should single employer plans ever face a financial crisis.

Since Congress will be focused on the multi-employer side of pensions, I do not expect movement on the NRLN single employer pension initiatives this year. This does not mean that we sit on the sidelines however. We will continue to advocate for changes to protect single employer pensions because we never know when there will be an opportunity to attach language and will use this time to point out the problems that pensioners face with their single employer plans.

### **PBGC Provides Helpful Information**

We enjoyed having members of the PBGC staff join us at the NRLN leadership conference on March 12. Anne Henderson, Senior Advisor for External Affairs, noted the PBGC has collected lots of helpful information on its website at: <https://www.pbgc.gov>. There you can learn more about how PBGC determines final benefits and find out where the PBGC is in processing trusted plans. To find your pension plan, type the name of the plan (not the company) into the search bar.

While you're on the website, you can also sign up to receive news and information from PBGC's blog Retirement Matters. Visitors to PBGC have multiple ways to stay informed on the latest news from PBGC.

# National Retiree Legislative Network, Inc.

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## Seven Re-elected to NRLN Board of Directors

During the NRLN's December 27, 2017 Board of Directors conference call seven members were re-elected to serve a two-year term effective January 1, 2018.

**Joe Dombrowski** is President of the Lucent Retirees Organization (LRO) and the NRLN's Vice President – Memberships. He is a member of the NRLN's Executive Committee. His working career began with Bell Laboratories in March 1967. His early assignments were as a member of company's administrative group in Whippany, NJ. He subsequently held domestic and international management positions. His home is in Scottsdale, AZ.

**Chris Dyrda** is a director emeritus of the National Chrysler Retirement Organization (NCRO). He retired from Chrysler after a 35-year career where he worked in Vehicle Development as Manager of Vehicle Programs, Program Management, Defense, and his last assignment in E/E systems where he supervised Wiring Design. He serves the NRLN as Vice President of the Southeast Region. Dyrda's home is in Atlanta, GA.

**Cindy Hadsell** is a member of the NWB-USWest-Qwest Board and serves as the organization's Legislative Director. She retired from CenturyLink in 2011 as a Senior Manager for Real Estate Strategic Planning. During her nearly 42 years with the phone company in Omaha, NE she held positions in public relations research and writing, business services course development, competitive analysis, executive support, and sales incentive programs. Her home is in Omaha, NE.

**Bill Kadereit** is the President of the National Retiree Legislative Network (NRLN) having served since January 2008. He is a member of the NRLN's Executive Committee. A former director of the Lucent Retirees Organization, he retired from AT&T Network Systems (now Nokia) in 1995 with 35 years of service. He subsequently served as a Senior Vice President of a large U.S. corporation and President and CEO of three technology-based startup businesses. His home is in Heath, TX.

**Jay Kuhn** is President of the National Chrysler Retirement Organization (NCRO). He retired from Chrysler at the end of 2007 after 35 years of service. He began his career in the Sales Division and held numerous positions in the Detroit Zone Sales Office, Headquarter, Zone Manager in the Dallas Zone, and Marketing. He was named Automotive News Advertising All-Star in 1995. He lives in Gladwin, MI.

**Bob Martina** is the NRLN Vice President – Grassroots and a member of the NRLN Executive Committee. He is a member of the Lucent Retirees Organization Board and serves as the LRO's Legislative Director. He began his career with Western Electric (now Nokia) in 1957. Prior to his retirement in 1996, he was an engineering manager at the Shreveport, LA factory. He continues to make his home in Shreveport.

**Larry Smith** is the representative of AT&T Ameritech /SBC Retirees on the NRLN Board. He serves AASBCR as Vice President, Legislation and Regulation. He began his 34 year telecommunications career as a Commercial Representative at Illinois Bell. He retired from Ameritech Wholesale in 2000. Following retirement Larry accepted a position as Vice President and partner of CyberObject a software development company. He lives in Somonauk, IL.

**Judy Stenberg** serves the NRLN as the Vice President – Pacific Northwest Region and as Vice President – Legislative Affairs. She is a member of the NRLN Executive Committee. She was President of the former Oregon/Washington Pension Equity Council that was affiliated with the Association of US WEST Retirees. Stenberg retired from U S WEST/Qwest after 30 years of service. She lives in Bellevue, WA.

## NRLN MEMBERSHIP CONTRIBUTION

## FOCUS

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NAME: \_\_\_\_\_ AGE: \_\_\_ UNDER 55; \_\_\_ 55-64; \_\_\_ 65 OR OVER

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PHONE: \_\_\_\_\_ E-MAIL ADDRESS (IF AVAILABLE): \_\_\_\_\_

I get my retirement benefits from \_\_\_\_\_ (name of company)

Mail this form with your check or money order (no cash please) for \$25, \$50, \$75 or more (any amount is appreciated)

payable to: **NRLN, Inc., PO Box 69051, Baltimore, MD 21264-9051**. Or, make a contribution with your credit card on the NRLN website at [www.nrln.org](http://www.nrln.org). Click on the red flashing "Contribute to the NRLN" icon and use the credit card form.