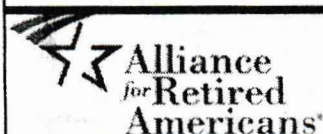


Medicare and Social Security: Challenges & Opportunities for Older Americans

Jeanne Cameron
Executive Director
IL Alliance for Retired Americans



Many Faces of Social Security

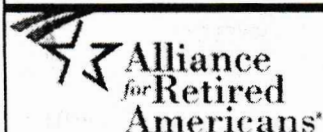
63 Million Beneficiaries

- 46.5 million receive retiree benefits
- 5.9 million survivors benefits
- 10.1 million receive disability benefits
- 3 million beneficiaries are children

Average Social Security Benefits

Retired worker \$1,461; Retired couple
\$2,448

Disabled Worker \$1,234



Social Security

Average 2019 Monthly Social Security Benefit

Retired Worker: **\$1,461**

Retired couple: **\$2,448**

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

2019 Social Security & Medicare Contribution Amounts

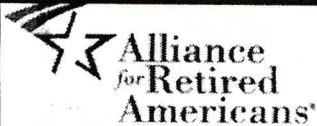
Social Security: **6.2%** on earnings up to **\$132,900**.

Medicare: **1.45%** on all wages

2019 Social Security Eligibility:

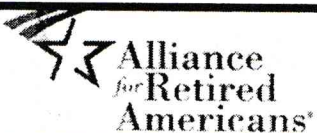
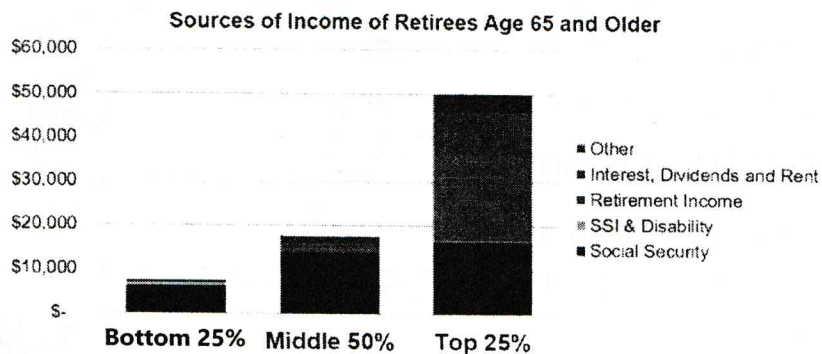
Full Retirement Age: **66**

Early Retirement Age: **62** (Taking early retirement can reduce Social Security benefits up to 30%.)



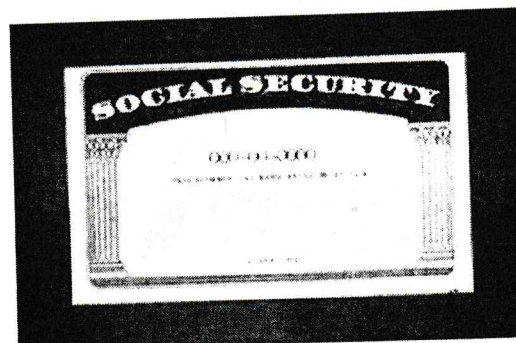
Social Security Critical

Primary Income Source for 75% of 65+

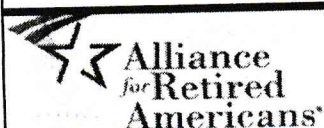


CHALLENGE**Social Security Threats**

- Raising the Retirement Age
- Chained-CPI
- Cutting benefits to SSDI beneficiaries
- Cutting funding for SSA



Social Security Administration



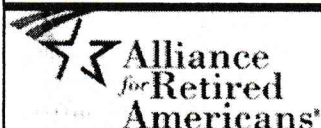
*10,600 per day signing up for
5-5-5 retirement plan*

Office of Management & Budget

Changing Poverty Index

On May 6, OMB issued proposal to change how poverty index is calculated by using chained CPI or Personal Consumption Expenditures Index:

- Would affect Medicaid, Medicare, SSI, nutrition assistance, ACA and other means-tested programs.
- Low-income individuals would lose eligibility; people enrolled in ACA would lose premium tax credit or pay higher insurance premiums.
- Low-income seniors would lose financial assistance with Medicare premiums and co-pays, including drug assistance.
- Impact would grow each year.
- CBO estimates billions in cuts; hundreds of thousand to lose coverage.



OPPORTUNITY**HR 2654 Social Security Expansion Bill**

The Alliance supports the Strengthen Social Security Act, H.R. 2654, sponsored by Rep. Linda Sanchez (D-CA) :

- **Increases in benefits** for all current and future beneficiaries.
- **Adopts the CPI-E** to ensure a more accurate measure to calculate Cost of Living Adjustments.
- **Improves Benefits for Widows and Widowers** ensuring surviving spouses receive 75% of the total household benefits.
- **Increased Minimum Benefits** for low-wage workers.
- **Improves Solvency** by raising the payroll cap.

**OPPORTUNITY****Social Security Trust Act**

The Social Security Expansion Act, S. 478 and H.R. 1170, introduced by Sen. Bernie Sanders (I-VT) and Rep. Peter DeFazio (D-OR):

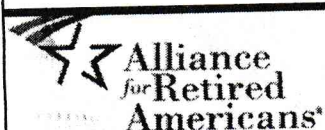
- **Increases Social Security benefits** on average by \$65 a month or \$800 a year.
- **Adopts the Consumer Price Index for the Elderly (CPI-E)** to calculate a more accurate cost-of-living adjustment (COLA)
- **Strengthens** the Social Security Trust Fund.



OPPORTUNITY

Social Security Trust Act

- **Reinstitutes benefits** until age 22 for children enrolled in college and to children whose parent has died or children of a disabled adult.
- **Combines** the Old Age and Survivors and Disability Trust Funds to ensure solvency of both programs.

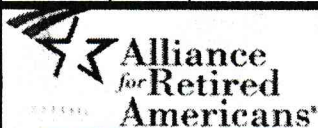


OPPORTUNITY

The Social Security 2100 Act

The Social Security 2100 Act, S. 269 and HR. 860, introduced by Senator Richard Blumenthal (D-CT) and Rep. Larson (D-CT):

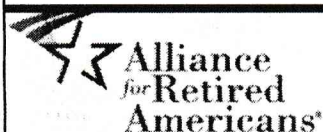
- **Provides a 2% benefit increase** to all current and future beneficiaries.
- **Institutes the CPI-E.**
- **Protects the lowest income** beneficiaries by insuring they receive at least 125% of the federal poverty level in retirement.
- **Gradually increases payroll tax** by 1.2% and lifts the cap above \$400,000.



OPPORTUNITY

H.R. 1540 POWR Act

- The **Protecting Our Widows and Widowers in Retirement (POWR) Act**, H.R. 1540, introduced by Representative Linda Sanchez, D-CA, ensures a widow or widower will continue to receive up to 75% of the combined household benefits after the loss of a spouse.
- This is particularly important to women who generally suffer greater financially after the loss of a loved one.



OPPORTUNITY

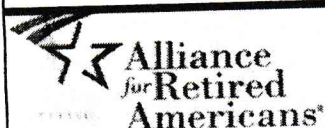
Social Security Fairness Act

The Social Security Fairness Act, S. 521 and H.R. 141, introduced by Senator Sherrod Brown (D-OH) and Representative Rodney Davis (R-IL) **repeals** the government pension offset (**GPO**) and the windfall elimination provision (**WEP**), which claws workers' and their spouses' Social Security benefits, if they worked for a period of time in jobs not covered by Social Security.



Many Faces of Medicare

- Nearly 177 million workers contribute to Medicare through payroll taxes.
- Approximately 58.4 million people receive Medicare benefits, including:
 - 50.3 million people age 65 and older
 - 8.8 million people with disabilities

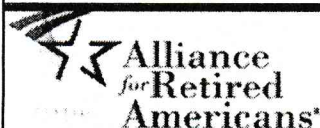


CHALLENGE

Medicare Threats: Trump's Budget

Despite promises on the campaign trail, Trump's 2020 fiscal plan includes:

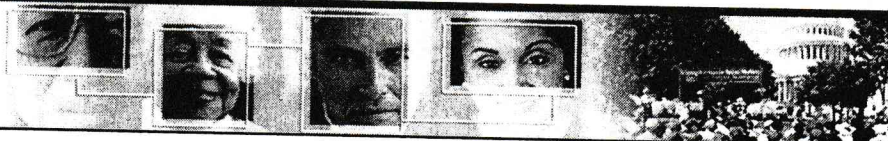
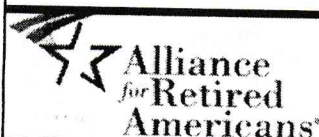
- **\$800 billion dollars shaved** from Medicare over a decade.
- **Cutting Medicaid** by \$200 billion dollars and setting up block grants to states.



CHALLENGE**Medicare Threats: ACA Repeal**

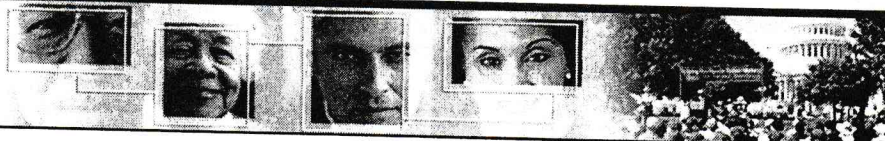
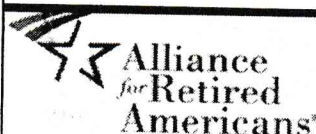
A repeal of the ACA would impact Older Americans by:

- **Reducing the solvency of the Medicare** trust fund by 4 years by repealing the .09% payroll tax for high earners (individuals earning \$200,000 and couples earning \$250,000).
- **Re-establishing the donut-hole** in Medicare Part D.
- **Ending free preventative care** and protections for pre-existing conditions.
- **End Medicaid Expansion.**

**OPPORTUNITY****HR 3: House Drug Price Negotiation Bill**

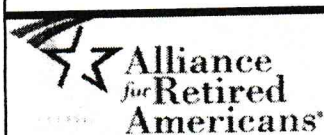
On September 19, 2019, House Speaker Pelosi and the House Democrats released the Lower Drug Costs Now Act (H.R. 3). This bill would:

- **Allow the government to negotiate** lower drug prices for people covered by Medicare and private insurance.
- **Limit the increase in drug prices** under Medicare Part B and D to the cost of inflation.



OPPORTUNITY**HR 3: House Drug Price Negotiation Bill**

- **Caps out-of-pocket spending** for Medicare beneficiaries at \$2,000 a year.
- **Allow for savings** from the negotiations to be reinvested into Medicare and could be used to expand benefits, such as providing hearing, dental and vision coverage.

**OPPORTUNITY****Medicare for All**

ARA members adopted a **"Resolution for Medicare for All"** in 2018:

- "The Alliance advocates for Medicare for All and supports taking steps to implement a single-payer health care system that provides universal coverage."
- The Alliance has not, however, endorsed any of the specific bills or bill drafts under discussion. We are monitoring the issue closely and will update you if that changes.



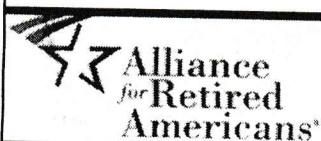
Illinois Alliance for Retired Americans

Jeanne Cameron

Executive Director

Telephone: 312-623-5941

Email: illinoisara@gmail.com



Working on a long Term Care Program.