

FRIDAY ALERT



Alliance for Retired Americans

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Medicare Bill that Would Have Helped Seniors Fails to Gain Enough Support

On Thursday, the U.S. Senate did not reach the 60 votes needed for cloture on S. 3101, the “Medicare Improvements for Patients and Providers Act of 2008.” The vote was 54-39 in favor of the bill, but 60 votes were needed to prevent a filibuster from blocking the legislation. Called the **Baucus-Snowe** bill, the legislation would have made sure that doctors who see Medicare patients are paid adequately, so that they would continue to take patients covered by Medicare. In addition, the bill would have improved the Medicare program for low-income seniors and stopped the abusive marketing techniques of private Medicare Advantage plans by requiring them to report on quality care measures. Many rapid-response Alliance members, after being contacted by e-mail, called the U.S. Capitol switchboard and asked their Senators to vote in favor of the bill. “S. 3101 would have protected America’s seniors and people with disabilities. A vote against S.3101 was a vote against retirees,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. “Especially in this economy, seniors need help with rising healthcare costs.” For a tabulation of the vote, go to http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=110&session=2&vote=00149.

Sen. McCain Tries to Run from His Record on Social Security

In a press release on Friday (today), the Alliance called upon Sen. **John McCain** (R-AZ) to clarify his position on Social Security privatization, in the wake of inconsistent statements and votes on the subject. In response to a town hall question posed by New Hampshire Alliance President **John Mendolusky**, Senator McCain said, “I am not for quote ‘privatization of Social Security.’ I never have been, never will be.” The *Nashua Telegraph* reported his response. In a March 3 interview with *The Wall Street Journal*, however, Sen. McCain had said, “As part of Social Security reform, I believe that private savings accounts are a part of it -- along the lines that **President Bush** proposed.” The same article said that Sen. McCain is considering raising the Social Security retirement age to 68 and reducing the cost-of-living adjustment (COLA). In 2006 he had voted to shift Social Security’s annual surpluses into a reserve account that would be converted into private accounts. Earlier in his Senate career, Sen. McCain voted twice to replace Social Security’s guaranteed benefits with income from risk-based private investments. “Senator McCain always has been and always will be a privatizer,” said **Edward Coyle**, Executive Director of the Alliance.

Sen. Obama Speaks on the Economy, Social Security

In a speech on the economy in Raleigh, North Carolina on Monday, Sen. **Barack Obama** (D-IL) reiterated his plan to protect Social Security without using privatization and without raising the retirement age. Sen. Obama said that he would save Social Security for future generations by asking the wealthiest Americans to pay their fair share of taxes. According to *The Wall Street Journal*, Sen. Obama has a plan to ensure that the majority of middle-income earners do not see

their payroll taxes increased. Under current law, Social Security taxes are collected only on the first \$102,000 of an individual's income, indexed for inflation. The Obama plan, called the "donut hole," would tax all income below the \$102,000-level and all income above a threshold to be determined. That threshold could be set around \$250,000. Ohio Alliance President **Dave Friesner** participated in Sen. Obama's Seniors event today (Friday) in Columbus.

Record Number of Americans Using Retirement Funds for Emergency Cash

According to *The Boston Globe*, more Americans than ever are dipping into their retirement savings early, risking their future financial security to afford medical bills, mortgages and rising fuel and food costs. This development has concerned many financial specialists, who already believe people are not putting enough into long-term savings. CitiStreet, Fidelity Investments and Vanguard Group Inc., the nation's largest administrators of 401(k) retirement savings plans, have all reported increased early withdrawals from these accounts in 2007; the number of hardship withdrawals rose as much as 16 and 17%. To qualify for a hardship withdrawal, applicants must show financial adversity such as high medical or educational bills, facing foreclosure or repairing a home damaged by a natural disaster. While individual accounts such as 401(k)'s were rare only three decades ago, when most Americans relied on guaranteed pensions and Social Security to fund retirement, workers today have \$3 trillion in 401(k) plans. "These situations underscore how important it is to preserve and strengthen the guaranteed benefits of Social Security so that people have something they can count on," said **George J. Kourpias**, President of the Alliance.

Alliance Speakers Featured at Two Energy Crisis Events on Capitol Hill

On Tuesday, **Richard Fiesta**, Director of Government and Political Affairs for the Alliance, joined Senators **Richard Durbin**, **Patty Murray**, and **Byron Dorgan**, as well as a coalition of labor, environmental, and citizens' advocacy groups, at a U.S. Capitol press conference addressing energy prices. The press conference was called to discuss the energy crisis and the Consumer-First Energy Act of 2008, which would address the root cause of gas prices, encourage development of alternative energy, and reduce America's dependence on oil. The Act is important to seniors who depend on Meals on Wheels, which is struggling because it has lost many volunteer drivers over gas prices. On Friday (today), Maryland/DC Alliance member **Sadie Coleman** spoke at a news conference addressing the economy, the energy crisis, taxes, and job creation. Ms. Coleman joined Senate Majority Leader **Harry Reid**, Sen. Dorgan, Sen. **Amy Klobuchar**, SEIU member **Treena Walker**; and a recent college graduate at the event.

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