

# RETIREE



# BULLETIN

## BAY AREA RETIREE CHAPTER

### INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Local #79 ♦ 5818 E. Martin Luther King Blvd. ♦ Tampa, Florida 33619

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MEETINGS 1<sup>st</sup> WEDNESDAY AT 10:00 a.m. ♦ FEB - APR - JUNE - AUG - OCT - DEC



April, 2017

### MEETING NOTICE

We will have our Retiree's General Membership meeting and covered dish luncheon on Wednesday, April 5, 2017 at 10:00 a.m. All of our meetings are held at the Teamsters Local Union No. 79 located at 5818 E. MLK Blvd., Tampa, FL 33619 unless otherwise noted.

After the business meeting we will have our covered dish luncheon. Then we can have some good conversation and tell a few "war" stories with our fellow retired Teamsters.

Bring your spouse or a guest and don't forget the COVERED DISH or a good dessert. Come on out and enjoy yourself and maybe learn something about what's going on within the Teamsters and the retirees.

### CHILDREN'S HOME

When you come to a meeting, please bring some food for the kids in the Children's Home. Large cans of vegetables, boxes of cereals, packages of pasta or other non-perishable food products. As most of you know, the Local Union adopted the Children's Home and collects food for them year round. Let's feed the kids, bring some food.

### SOCIAL SECURITY, MEDICARE, MEDICAID, HEALTH INSURANCE AND OTHER POLITICAL RANTS

Rep. Tom Price (R-GA) has been confirmed as our new Secretary of Health and Human Services (HHS). Now the fun begins because as a House member he has tried to raise the Medicare eligibility age to 67 or beyond and replace Medicare health benefits with a coupon to use to purchase health insurance. During the confirmation process, it was revealed that Price repeatedly bought and traded pharmaceutical stocks and then introduced some legislation affecting the companies he had bought stock in. He often misstated the timing of these stock purchases or did not disclose them at all resulting in numerous probes by federal securities regulators and the House Ethics Committee. There was intense opposition to his confirmation but it passed 52-47. This is like putting the fox in charge of the hen house.

The following information came from an article by Mark Miller and published by Reuters News. Some of the facts will surprise you.

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While the era of “alternative facts” dawned in Washington recently, experts across the ideological spectrum gathered in the capital for a review of real facts about our two most important retirement programs, Social Security and Medicare.

The annual policy research conference of the National Academy of Social Insurance (NASI) focused on the group’s new report to the Donald Trump administration and Congress on the future of all our social insurance programs – those that cover retirement, but also those that protect the disabled, jobless, impoverished poverty and frail. Here are some facts on Social Security and Medicare that caught the reporter’s eye:

**FACT:** Social Security benefits already have been cut. Raising the retirement program’s full retirement age to 70 is mentioned often as a way to solve the program’s long-term imbalance between costs and revenue. But did you know that Social Security benefits already are scheduled to be cut 24%? That is the average cumulative reduction in enrollee benefits by 2050 due to reforms passed by Congress in 1983, driven mainly by a gradual increase in full retirement ages from 65 to 67. Since Social Security cannot deficit spend as a matter of law, legislative reform will be needed by 2034 in order to avoid an immediate 21% cut in benefits. The reforms could include new revenue to the system, benefit cuts or a combination of both. Raising the retirement age to 70 would effectively cut benefit payouts by raising the bar on the age an enrollee must reach to receive their

full benefit.

Raising the retirement age would whack benefits further, and we have much better options, including lifting the cap on wages subject to payroll taxes, or raising payroll tax rates very gradually.

**FACT:** Social Security matters to high-income households. We will hear calls to transform it into a means tested program for the poor. But Social Security is the largest source of income for a majority of retired workers and their surviving spouses.

Eighty four percent of all people over 65 and about 90 percent of surviving spouses over 65 receive income from Social Security, and for three-fifths of them, Social Security makes up at least 50 percent of their income.

“Many upper middle class people assume that it’s mostly important for poor people, but that’s not the case,” said Benjamin Veghte, NASI’s vice president for Policy.

Proposals to restore solvency by means-testing Social Security would tear at a core design feature – it’s universality. At a time when a majority of households have not been able to save for retirement, Social Security will remain critical.

#### **MEDICARE: NO CAUSE FOR ALARM**

**FACT:** Medicare is not facing a financial crisis. Politicians pushing Medicare reforms often claim that the program is teetering on the brink, but NASI researchers conclude otherwise.

Let’s start with the basics on how Medicare’s various “parts” are funded. Part A (hospitalization) is

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## PENSIONS

funded mainly by a 2.9 percent payroll tax split by employers and workers. For Parts B (outpatient services) and D (prescription drugs), 75 percent of funding comes from general federal revenue, with the remainder funded by enrollee premiums.

The Hospital Insurance trust fund that finances Part A can meet all its obligations through 2028, according to the program's trustees. At that point, incoming revenue would cover 87 percent of expected cost, so there is a need to close the shortfall with additional revenue, less spending or a combination of the two.

Parts B and D cannot run out of money because they have permanent appropriations to cover whatever premiums do not. The cost of those programs will grow in the years ahead as the population ages, and as healthcare costs rise – especially prescription drugs. But that trend is not driven by Medicare itself, but by the cost of healthcare.

Overall Medicare spending is not out of control – per-enrollee outlays rose at an average rate of 5.5 percent, somewhat slower than the 6.3 percent average annual growth rate in private insurance spending per enrollee between 1989 and 2014.

In addition, cost containment measures within the AFFORDABLE CARE ACT (A/K/A OBAMACARE) improved the outlook substantially, pushing the insolvency date out by 11 years. The problem really is healthcare cost, and how to contain it.

The emphasis shows how important the ACA really is when you put all the parts together. Improve, not remove.

We were all hoping that the new President of the USA would give us a little help with the multi-employer pension problem. Well, you can stop holding your breath waiting for it because it's not going to happen. The administration is now talking about pensions are too generous and they are even going after the federal employee's pension. They want to get rid of the defined benefit pension plan for government employees and go to a defined contribution plan, such as the Thrift Savings Plan. They are claiming the current pension plan is "unsustainable" and are too generous. If they are doing that to the federal employees then we are on our own.

With the House, Senate and Whitehouse all controlled by the political party that has tried for years to do away with our type of pension, yes, we are truly on our own. The bills we were hoping to get passed by Congress don't have a chance now. We must continue to keep up the fight to save our pensions someday. The PBGC and the Alliance for Retired Americans met recently and discussed the problems facing most all pension plans today. The PBGC is concerned with their funding to pay our pensions in the 1,400 plans cannot pay any more. The President of the ARA, Robert Roach, Jr., said, "If the government can build a \$15 billion wall on the Mexican border, we should be able to fund the government insurance program that protects our pensions."

But Ivanka Trump has got a new office in the West Wing of the Whitehouse, we will talk to her. HaHa!

Bay Area Retiree Chapter  
5818 E Martin Luther King Blvd.  
Tampa, Florida 33619



To Serve and Improve  
Our Members Life

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## **FACT: NOT FAKE NEWS**

**AT LEAST ACCORDING TO SPY MAGAZINE**

**Spy Magazine wanted to know who  
was the cheapest billionaire.  
They mailed a \$0.13 check to  
Donald Trump  
and  
he cashed it.**