

PrimeTime

News & Information for AFSCME Retirees

Chapters in Action

AFSCME Retirees Council

In June, representatives of the union's 40 retiree chapters attended the 30th Annual Meeting of the AFSCME Retirees Council, held in conjunction with the 39th International Convention in Boston, Mass. The council is the governing body of the national AFSCME Retirees. Discussion centered on chapter activity in the year past, including organizing, efforts to protect and improve members' retirement benefits, education programs, PEOPLE fundraising and service projects.

Several guest speakers addressed the council on issues of special interest to retirees, including International Pres. Gerald W. McEntee who congratulated the AFSCME Retirees on 30 years of achievement. He emphasized



that the union greatly values the energy and experience of its retiree members. All the council officers were re-elected: Chair Jerry LaPoint (Wisconsin Chapter 7), Vice-Chair Gary Tavormina (New York Chapter 82) and Secretary Loneste Blackwell (Ohio Chapter 1184).

Following the Annual Meeting, every member of the Retirees Council served as a voting delegate to the International Convention (see photo above), which elected a new Sec.-Treas., Lee Saunders (longtime Sec.-Treas. William Lucy retired before the Convention opened). As delegates, they were treated to a special video presentation on the Convention floor, which recognized the important role played by AFSCME Retirees. Called "Generations," the video tracked an intergenerational cross-country journey by two retirees and two members of "Next Wave" — the organization of AFSCME members under age 35. It starred Phyllis Zamarripa of Colorado Chapter 76 and Howard Van Kleef of Ohio Chapter 1184.

Florida



Leaders of the Florida Retirees Political Education Committee (FARPEC) met in Orlando in June, coming from all over the state to join leaders of Council 79, International union staff and members of the Alliance for Retired Americans to discuss Florida's elections and finalize FARPEC strategies.

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Candidates Compete for Senior Vote in Mid-Term Elections

On Tuesday, November 2, voters will go to the polls to elect 36 U.S. senators, 435 U.S. representatives, 37 governors and hundreds of other state and local officials. Historically, turnout is lighter in these "mid-term" elections than in Presidential election years. As a result, the votes of people who do turn out carry more weight, because each vote represents a larger part of the whole.

The most reliable mid-term voters are senior citizens. Consider the 2006 mid-terms, in which 41 percent of the eligible electorate turned out to vote. The turnout for voters over 60 was much higher: 63 percent.

ENTHUSIASTIC VOTERS.

While it's true that a record number of young people (age 18 to 29) voted in the Presidential race of 2008 — largely because of the excitement surrounding

then-candidate Barack Obama — far fewer are expected to vote this year. In a recent Gallup Poll, people over 65 were twice as likely as those 18 to 29 to say they were "very enthusiastic" about voting in November.

So, we know seniors will go to the polls and vote for congressional candidates. The question is: What will influence their decisions? A major factor may be their opinion of the new health care reform law and the way they feel about the law's supporters.

AFSCME thinks seniors should take a positive view of the health care law, because it includes important new Medicare benefits, adds a dozen more years of Medicare Trust Fund solvency and contains other provisions to help make quality health care more



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Don't Believe the Lies. Vote to Support Health Care Reform.

"I urge all AFSCME retirees to spread the word that the new health care law **helps seniors, and actually reduces the federal deficit over time**" said AFSCME International Pres. Gerald W. McEntee. "The people who voted for the new law in Congress, and candidates for Congress who proudly support it, are the direct descendents of those who brought us Medicare in the 1960s and have fought to protect it ever since."

Following are answers to many of the questions seniors have about the new health care reform law, officially known as the Patient Protection and Affordable Care Act, and how it helps older Americans. AFSCME urges you to share this information with your friends and neighbors. An informed voter is a responsible voter.

Will Medicare's Part D "Donut Hole" be phased out?

YES. This year, Medicare is providing a \$250 rebate for seniors who fall into the big gap in prescription drug coverage known as the donut hole. Next year, seniors in the donut hole will start receiving a 50 percent discount for brand name drugs and the federal government will provide a small subsidy to help reduce the cost of generic drugs in the donut hole. Then, in 2013, the government will start subsidizing the purchase of brand-name drugs for seniors in the donut hole, picking up larger and larger portions of the cost of both brands and generics each year, until the coverage gap is finally phased out in 2020.

Will the new law reduce seniors' out-of-pocket costs for other services?

YES. The new law will save money for seniors by eliminating Medicare co-payments (currently 20 percent) for mammograms, colonoscopies and other preventive screening services, starting in 2011. The law also introduces a brand new preventive benefit. For the first time, Medicare will cover **annual checkups** with your doctor.

What will happen to seniors in Medicare Advantage plans?

Private Medicare Advantage (MA) plans are paid an average of 14 percent more than the per-senior cost under regular Medicare. Essentially, these private insurance plans receive \$1,000 in extra federal subsidies for every senior citizen they cover — an overpayment that has contributed to record profits for some insurance companies. A portion of these federal subsidies are paid out of the Part B premiums of *all* seniors, regardless of whether they're in MA plans or in regular Medicare. So, as a matter of fairness to *all* beneficiaries, the new health care law phases out the overpayments to MA plans over seven years, restoring a level playing field with regular Medicare.

The reductions in MA overpayments will help strengthen Medicare because the money will be re-invested in the program, **extending the life of Medicare's Trust Fund by more than 12**

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Chapters (from page 1)

FARPEC comprises AFSCME retiree activists who represent our union's more than 15,000 retiree members in Florida. Most spent their working lives in other states and are members of New York/CSEA Chapter 1000, New York City Chapter 37 and other retiree chapters around the country. Meeting participants noted that this year's elections are critical for retirees. Public services have been cut and retiree health care benefits threatened. A serious state budget crisis could make matters worse, if candidates who support workers and retirees are defeated in November. FARPEC pledged to work hard for union-endorsed candidates by phone banking, leafleting and volunteering at campaign headquarters. Candidates include Alex Sink for governor, Kendrick Meek for U.S. Senate and dozens of progressives running for Congress and the Florida Legislature.

California

San Francisco was the site of the recent founding convention for California Retiree sub-chapter 206. The newly chartered group is made up of retired doctors and dentists who are former employees of the state of California or local governments. Pictured are the newly elected officers: Pres. Diane Sutton, Vice-Pres. Stephen Hague, Recording Secretary Jean Howard and Sec.-Treas. Gary Robinson.



Connecticut

The Connecticut Alliance for Retired Americans recently honored two AFSCME leaders at its annual awards luncheon in Berlin. Lillian Sewell, president of AFSCME Retiree Chapter 4 (pictured above, second from left) and Sal Luciano, executive director of Council 4 (second from right), were praised for their commitment to their home state, to their advocacy on behalf of Connecticut seniors, and to their activism in support of the union retiree movement.



Oregon

Last spring, Oregon Retiree Chapter 75 held its founding convention in Salem, making it AFSCME's 40th chartered retiree chapter. The statewide chapter is made up of retired public employees of state and local government. Pictured here are the delegates who attended the convention. The group's president is Michael Arken, a long-time AFSCME activist.



New York City

In April, the Retirees Association of DC 37 — AFSCME Retiree Chapter 37 — held its education conference at the DC 37 headquarters. More than 300 retiree members attended the annual event. The program included panels of experts on both federal and local issues of concern to New York City retirees. Numerous elected officials addressed the crowd. Pictured above, seated left to right, are U.S. Rep. Nydia Velasquez, U.S. Rep. Jerrold Nadler and U.S. Rep. Yvette Clark. All three participated in the federal issues panel. Standing are leaders of Chapter 37, including Pres. Stuart Leibowitz (second from right).



Union Retirees Vote for Labor Candidates

While the senior vote seems to swing back and forth between Democrats and Republicans from year to year, that is not generally true of the union-retiree vote. In the last mid-term election in 2006, most retired union members voted for the candidates endorsed by their union. According to exit polls, a full 72 percent voted Democratic.

Approximately the same percentage voted for Barack Obama for President in 2008. Overall, seniors supported Sen. John McCain for America's highest office. Seniors voted 53 percent for McCain to 45 percent for Obama, giving McCain an 8 point advantage. Union-retirees could not have voted more differently, with 72 percent choosing Obama and only 26 percent choosing McCain. They gave Obama a whopping 46 point advantage and helped elect him President of the United States.

How does it happen that people from the same age group have such different voting patterns? Naturally, some union retirees are lifelong Democrats with a keen interest in progressive politics. But most don't fit that description. They are seniors who simply pay attention to what they read and hear about the candidates for office. If they see that certain candidates are more likely to fight for retirees and working people, those candidates are more likely to get their votes.

That's why it is so critical that unions like AFSCME provide good information to our retirees about where the candidates stand on important issues like jobs, Social Security and Medicare, health care reform and public services. Retirees read their mail. They pay attention to phone calls from fellow union members. They attend events on behalf of union-endorsed candidates and are willing to volunteer for AFSCME phone banks and leafleting.

In short, union retirees are a powerhouse voting block for labor-endorsed candidates. The labor movement is counting on their votes to ensure a victory for progressive candidates this fall. ■

Health Care Reform (from page 1)

years. And, MA plans will still qualify for bonuses if they can show they deliver high quality services.

Nevertheless, with lower payments from Medicare, some MA plans may decide to trim the extra benefits they offer. That will be an individual insurance company decision. But the law says they **cannot reduce any of the essential benefits** guaranteed under Medicare. Also, **the new law prohibits MA plans from charging higher co-pays** than regular Medicare's. In addition, beginning in 2014, at least 85 percent of the premiums collected by MA plans **must be spent on benefits**, rather than go toward company profits and administration. These are strong protections for seniors who participate in MA plans.

Will the law's Medicare savings reduce patient care?

NO. The new health care law produces \$500 billion in Medicare savings by phasing out the overpayments to MA plans and instituting changes to Medicare to make it more efficient.

These changes include incentives for doctors and hospitals to coordinate a patient's care, demonstration programs that bundle payments to hospitals and other innovations. **The law also cracks down hard on Medicare fraud.**

Will the newly-insured overwhelm the system, making it hard to see a doctor?

NO. The "exchanges" — the new state-based, subsidized insurance pools for those who buy their own coverage — will not be up and running until 2014, so we still have a few years to prepare for the influx of new patients. To help in the transition, the health care law provides funds to train new primary care doctors.

Will employers still receive a federal subsidy for providing retiree drug coverage?

YES. Employers who provide paid drug coverage to their retirees will **continue to get the subsidy they've received since 2003** (when AFSCME made sure it was included in the Part

D law). As a result, most employers will maintain the benefits they currently offer. For *private-sector* employers, however, the new law does end the tax deductibility of the subsidy in 2013.

Public-sector employers aren't affected by the tax change because they don't pay federal income taxes.

What is an Insurance Exchange?

The new law establishes state-based insurance "exchanges" — marketplaces where uninsured individuals and small businesses can compare and buy affordable high-quality insurance plans. A variety of private insurance options will be offered in each exchange and most participants will qualify for federal subsidies that will significantly reduce the cost of premiums. The new health care law requires states to have insurance exchanges by 2014. Insurance that is sold in the exchanges must meet or exceed certain benefit standards.

What does the new law do for early retirees?

A reinsurance fund provides \$5 billion to help employers pay for the health benefits of their retirees who are 55 to 64 years of age. The program will reimburse employers for 80 percent of their retiree claims in excess of \$15,000 and below \$90,000. Payments from the reinsurance program will be used to lower the cost of the plan and may be used to reduce the enrollees' share of the costs.

When will insurance companies be required to stop denying coverage to people with pre-existing conditions?

The ban on denying coverage to adults due to a pre-existing goes into effect in 2014 (children in 2010). There will be a temporary high-risk insurance pool to help high-risk individuals until the ban takes effect. In 2014, they will be able to purchase an insurance plan from their state exchange (with subsidized premiums), with no fear of being denied coverage due to pre-existing conditions.

Is Congress covered by the new law?

YES. Members of Congress and their staff, who are currently covered under the Federal Employees Health Benefits Program, will be required to purchase insurance from an exchange. The new rule takes effect in 2014, the start year for the exchanges. ■

Strengthen Social Security Campaign Fights Efforts to Cut Benefits



AFSCME International Pres. Gerald W. McEntee addresses a news conference launching the Strengthen Social Security Campaign.

AFSCME is one of the leaders of a new coalition, founded on the simple proposition, “Strengthen Social Security... Don’t Cut It.” Known as the Strengthen Social Security Campaign, the coalition brings together 125 national and state organizations representing more than 50 million Americans. Our goal is to preserve Social Security in the face of growing efforts to cut benefits and undermine the nation’s critical system of income protection for workers, retirees and their families.

SCAPEGOAT FOR DEFICIT. A news conference at the National Press Club in Washington, DC, launched the campaign on July 29. The speakers, including Pres. Gerald W. McEntee, decried recent attacks. McEntee said it was wrong to make Social Security the scapegoat for the federal deficit when it currently has a surplus of \$2.5 trillion and has its own dedicated source of revenue: the payroll contributions of nearly all American workers.

The coalition was initially conceived as a way to counter the National Commission on Fiscal Responsibility and Reform, an 18-member federal panel that is supposed to find ways to reduce the nation’s budget deficit by 2015. Made up of six Presidential appointees and 12 members of the House and Senate (evenly divided between Democrats and Republicans), the commission is charged with looking at all aspects of the budget, including revenue raisers and cuts in military spending. Instead, many of the commissioners seem to be focused on Social Security cuts.

Although the commission meets behind closed doors, word has leaked out that a proposal to raise the retirement age to 70 is gaining support. For most of Social Security’s history, the full retirement age was 65. Today it is 66 and scheduled to go to 67. Critics of the age-70 proposal point out that it’s unrealistic to think that most Americans can work to that advanced age. Many won’t be able to find jobs, they say, or won’t be able to work due to failing health.

WORKING TO 70. Even now, most workers start collecting Social Security benefits before full retirement age — many as early as age 62. When they retire before the full age, workers must take a permanently reduced benefit. The higher the full retirement age, the bigger the reduction at earlier ages. For example, when the full age was 65, workers who retired at 62 receive 80 percent of their total benefit. If the full age is raised to 70, workers who retire at 62 will receive a little more than 50 percent.

Members of the commission aren’t the only ones who favor raising the retirement

age. Rep. John Boehner (R-OH) also says he supports it. If, on November 2, the Republicans win a majority in the House of Representatives, Boehner will likely be the next Speaker of the House!

COLA CUTS. Other proposals for cutting benefits include reducing the annual cost of living adjustment and changing the way benefits are calculated. Currently, benefits are calculated according to the annual rise in wages. The commission is considering changing this to a price index, which would reduce

benefits over time.

Also in consideration are various types of means tests that would essentially reduce benefits for higher income retirees. While this might seem fair to some, it could have negative consequences. By severing the direct connection between payroll contributions and benefits, it could make Social Security look more like welfare than an **earned** right.

Believe it or not, even Social Security privatization remains on the table. Despite the failure of the George W. Bush plan in 2005 and several years of stock market losses, some commissioners still want to replace part of Social Security with risky private investment accounts. One of these commissioners is Rep. Paul Ryan (R-WI), who would most likely become Chairman of the House Budget Committee if the Republicans win in November. Ryan has prepared a budgetary “road map” that would privatize both Social Security and Medicare.

COMMISSION RECOMMENDATIONS. The commission must make its recommendations to Congress by December 1. Only those recommendations that win support from at least 14 commissioners can be assured a vote in the House and Senate. At this point, it’s unclear whether any recommendations can meet that standard. If they can, however, they will most likely come before Congress in a post-election “lame duck” session, which would protect representatives and senators from voter wrath.

The Strengthen Social Security Campaign thinks Social Security should be an **election issue**, with candidates for Congress making clear where they stand on proposals to cut benefits. Clearly, there is much at stake. Even if the commission doesn’t recommend changes by the end of the year, it’s likely that the next Congress will consider the commission proposals. “Find out where the candidates stand on privatization and raising the retirement age” said McEntee. “To protect future benefits, we need to elect representatives and senators who will strengthen the system, not cut it.” ■

ConsumerTIME

In Pain? Help is on the Way

Chronic pain is common. In fact, the American Pain Foundation reports as many as 76 million Americans suffer from it. If you’re one of them, you may be wondering how to effectively manage your pain and regain control of your life, without having to resort to potentially addictive drugs. The National Center for Complimentary and Alternative Medicine (nccam.nih.gov) suggests these *alternative* therapies for battling the effects of chronic pain.

Note: Before trying any of these therapies, it is always important to talk with your doctor. Remember that there is no perfect remedy for pain. While research shows that these methods can be effective, individual results will vary.

MOVEMENT-BASED THERAPY — These therapies focus on musculoskeletal, joint and lower-back pain. They help by strengthening supporting muscles, improving flexibility and enhancing posture. Physical therapy, Yoga, Pilates and Tai Chi are examples.

NUTRITIONAL AND HERBAL REMEDIES — By boosting the immune system, these are particularly effective for abdominal pain, headaches and inflammatory conditions. A diet rich in whole grains, fresh fruit, green vegetables, fish and olive oil has been shown to reduce inflammation.

MIND-BODY MEDICINE — Mind-body therapies use the power of thoughts and emotions to influence one’s physical reality. They reduce pain by training the mind to focus on other things. Meditation, guided imagery, biofeedback and relaxation are some examples.

ENERGY HEALING — This describes therapies that focus on manipulating a person’s electrical energy — known as chi in Chinese medicine — to bring about balance and wellness. Therapies such as acupuncture, acupressure and Chi-Gong can be effective against chronic pain from a previous injury. They can also be used to treat symptoms of depression and anxiety.

HANDS-ON THERAPY — This type of therapy treats musculoskeletal pain, especially in the back and neck. These methods work to remove

muscle tension and to adjust the body into its proper alignment. Massage, chiropractic and osteopathy are examples.

LIFESTYLE CHANGES — Making simple adjustments to daily routines can reduce chronic pain. To lead a healthier and more pain-free life, you may want to try the following strategies: exercise regularly, maintain a normal sleep schedule and concentrate on your most enjoyable and least stressful relationships.

Trustees Report Shows No Social Security “Crisis”

In August, the Social Security Trustees issued their annual report, projecting the systems’ fiscal outlook for the next 75 years. The projections are almost identical to those in the 2009 report, despite more than two years of a devastating recession in which high unemployment has meant lower payroll contributions.

According to the Trustees, Social Security will be able to pay all promised benefits in full until at least 2037. After that, payroll contributions will fund 78 percent of all benefits, leaving a shortfall that is significant, but manageable. The shortfall is equal to 1.92 percent of all wages subject to the payroll tax (individual wages up to \$106,800 in 2010). This means that if payroll contributions were raised by approximately 1 percentage point for workers and 1 percentage point for employers, the shortfall would be completely eliminated. There are many other ways to eliminate the shortfall than raising payroll contributions for everyone, but this illustrates the size of the problem. Despite all the media hype about Social Security going bust, the Trustees report that there’s really no crisis at all.

Newsmakers

HAWAII: In August, Ruth Walker — leader of Retiree Chapter 152’s Big Island unit — was inducted into the Big Island Sports Hall of Fame for her accomplishments in aikido. Aikido is a Japanese martial art that emphasizes motion and the dynamics of movement. Walker is the first woman to earn a black belt in aikido on the Big Island. She is ranked Rokudan — 6th degree black belt. Walker, a retired principal of Keaukaha Elementary School, has volunteered her services as a children’s instructor with Hilo Seishikan Aikido for the past 35 years. She received the Big Island Sportsman of the Year award in 2009.



Caution: Retirement at Risk

There is a retirement crisis in America. If current trends continue, most Americans working today will have less retirement security than their parents. This historic reversal is a result of the decline in employer-provided pensions and has been made even worse by the steep declines in stock and housing values.

Once upon a time in America, it was commonly accepted that a secure, comfortable retirement was a part of the American dream. That dream rested on a “three-legged stool” — social security, a traditional pension and personal savings.

Central to this proposition is the “defined benefit” pension plan, which most AFSCME members enjoy. The assets of a defined benefit plan are managed by professionals who invest for the long term; neither workers nor retirees are subjected to unreasonable risk. When workers retire, they receive a predictable income in the form of a monthly check.

RISKY 401(k)s. As attacks on private sector unions escalated in the 1980s, however, and trade agreements spurred the exodus of manufacturing jobs overseas, the number of Americans participating in defined benefit plans declined drastically. Employers began replacing them with 401(k) accounts, also known as “defined contribution” plans.

In a 401(k)-style plan, an employee contributes to an individual retirement account. Some employers also contribute to their worker’s account. After that, however, employers simply wash their hands of any future responsibility, leaving the worker completely responsible for investment decisions and payments of expensive administrative fees. Unlike a traditional

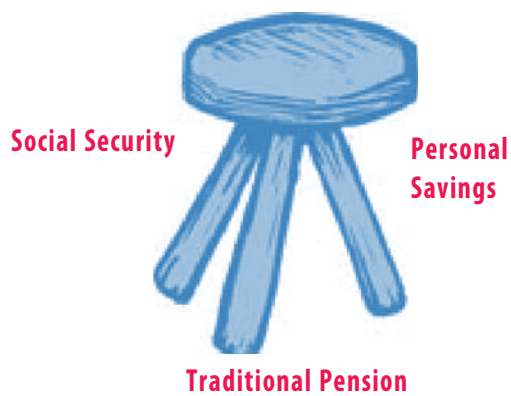
pension plan, an accounts plan requires the worker to bear all the risk of stock-price declines, which can destroy their retirement saving.

Another risk is that retirees will outlive their retirement assets. Unlike a traditional defined benefit plan, where a retiree and spouse are guaranteed a monthly income as long as they live, a 401(k) account can be depleted long before the retiree dies. In the 2010 poll for Allianz Life Insurance, 61 percent of respondents said they actually fear outliving their assets more than death!

SHAKY STOOL. The bottom line is that the absence of a traditional pension leg on the three legged stool makes the stool less stable and secure. If nothing is done to strengthen the leg, the retirement stool will collapse, leaving future retirees flat on their backs.

For public-sector workers and retirees, legislative action has preserved our defined benefit plans. But along with our unions, we’re facing constant attacks from corporations and anti-government conservatives. They’re attacking our pensions, saying they’re too generous, and comparing us to other workers who have no pensions at all.

PENSIONS FOR ALL. “Why should pampered public employees have pensions and you don’t?” they say. And sadly, some private-sector workers are buying into this attack. Instead of asking why their own employer doesn’t provide them with a similar pension, they attack public workers for



Wake Up, Washington! There’s a Retirement Crisis

It’s time to do something about the brewing retirement crisis in America. (see story left). That’s why AFSCME, Pension Rights Center, the National Committee to Preserve Social Security and Medicare and many other concerned organizations are supporting a new initiative called Retirement USA. And we need you to speak out!

In September, Retirement USA kicked-off the “Wake Up, Washington” campaign and issued a call for workers and retirees to demand that lawmakers pay attention, stop efforts to cut Social Security and establish a 21st century pension system that makes sure all workers have a secure and adequate retirement income.

To ensure that lawmakers hear our voices and start to take action, an online bank has been established to collect personal stories from workers and retirees. Here’s how to participate: (1) If you’re lucky enough to have a pension, tell us what it has meant to your retirement. (2) If you fear that your children will lack retirement security, tell us why and how you feel about it. (3) If you don’t have a pension, tell us how that’s affected your retirement income and lifestyle.

We want to hear your retirement story. You can write it on paper, or make a video or an audio recording. Send your story to Steven Francy at sfrancy@afscme.org or mail it to AFSCME Retirees, Attn: Steven Francy, 1625 L Street, NW, Washington, DC 20036.

getting the retirement security that every worker deserves.

All working Americans need to stick together and fight for a secure and adequate retirement. Too many people today lack pensions. And, if we don’t work together to change that, we may all lack pensions in the future. If that happens, the American dream of retirement security will disappear, and we’ll all be left with the nightmare of old age poverty and despair. ■

Candidates (from page 1)

accessible and affordable for seniors and their families.

MISINFORMATION. Unfortunately, *opponents* of health care reform have had great success in distorting the details of the law in order to instill fear. For example, a recent survey in *Newsweek* magazine found that 51 percent of older people still believe the law contains a provision for “death panels.”

This is nonsense. Death panels are a myth.

Contrary to the bogus claims of health reform opponents, the new law includes **NO rationing** and **NO denial of care** for older people. Furthermore, the law makes absolutely **NO cuts** in Medicare’s guaranteed benefits.

“Seniors who know the facts will vote for congressional candidates who support the new law,” believes International Pres. Gerald W. McEntee. “But we need to spread the word to our friends and neighbors. Otherwise, the good guys will lose and

the next Congress will be a far less friendly place for older Americans.”

TRUE FRIENDS. According to McEntee, “the members of the U.S. House and Senate who voted for health care reform knew that they were not only extending health insurance to more Americans and making it more affordable for everyone, but that they were also protecting and improving Medicare.

“We should be thanking them with our votes on Election Day,” he said. ■

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American Federation of State, County
and Municipal Employees, AFL-CIO

1625 L Street, NW

Washington, DC 20036-5687

Phone: (202) 429-1274

Fax: (202) 429-5071

AFSCME.ORG



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