Candidates Compete for Senior Vote in Mid-Term Elections

O n 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 midterm-term voters are senior citizens. Consider the 2006 mid-terms, in which 41 percent of the eligible electorate turned out to vote. The turn-out 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 affordable for seniors.

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-person 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 years.
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 midterm 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.

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 Stewell, 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).

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 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.

WORTHY 70. Even now, many 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 pay- roll 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 most likely would 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.

COMMISION 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 and call them on it.” To protect future benefits, we need to elect representatives and senators who will strengthen the system, not cut it.”
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 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.

Conversely 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.

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.

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