



# NRLN Focus



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## ***The NRLN Clarion Call...Heading into a Busy Spring***

By Bill Kadereit, NRLN President



Heading into Spring the NRLN is focused on: protecting Social Security and Medicare; protecting pension plan participants in de-risking; investigating whether there was an injustice to IBM Chapter members when IBM changed healthcare offerings to retirees, and advocating for better income security and defined benefit pension reform.

### **Threats from Fiscal Commissions**

The NRLN opposes Social Security and Medicare being on the chopping block if “fiscal commission” bills are passed in the House (H.R. 5779 the Fiscal Commission Act) and Senate (S. 3262, the Fiscal Stability Act).

The commission would meet behind closed doors to develop recommendations on how to reduce government Social Security and Medicare benefits. The commissions’ recommendations would be “fast tracked” meaning no amendments in the House or Senate – only yes or no votes and would give members of Congress political cover for changes to Social Security and Medicare.

Instead, current Congressional committees and their members should step up and be held accountable.

### **Remedy A Major Medicare Problems**

The NRLN continues to lobby members of Congress against the high cost of health care shifted to retirees and the unfairness of the chronic healthcare subsidized benefits that that are being denied to 27 million original Medicare Parts A and B participants in traditional Fee for Service (FFS) who may also have a Medigap plan.

The NRLN advocates for including so called chronic illness and other new benefits to those in traditional Medicare FFS while today only those in private plans get them as government subsidies. Also, the Centers for Medicare and Medicaid (CMS) should focus on legitimate healthcare cost reductions and create a Medicare E supplemental plan G (buy-in at cost plus 3% for Medicare overhead). These actions would create a level American competitive playing field and reduce Medigap cost payments and government overhead. We support increasing taxable earning limits until Medicare costs per enrollee stabilize.

### **Working to Get Bill Introduced and Passed**

Throughout their working lives, retirees believed that the guaranteed monthly pension income they earned came with several federal law protections.

The decline in defined-benefit pension plan sponsorships has taken an alarming turn as more companies do “de-risking” (Pension Risk Transfer) of their pension plans. Plan sponsors are spending billions on group annuities with third party insurance companies and, in the process, stripping retirees of critical ERISA and PBGC protections.

Foremost among the protections that the NRLN wants to become law is that an annuity contract must have full reinsurance of the monthly benefits. Only a group annuity contract that requires independent, third-party reinsurance with a highly rated insurance company can protect pension plan participants.

The Pension Rights Center is partnering with the NRLN in ongoing discussions with key Congressional staff members to either get a standalone bill introduced or include our proposals in other pension legislation.



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### Protecting Medicare 'Guaranteed Issue Rights'

Hector Saenz, Chapter President and Steve Bergeron, Membership Director, for the recently formed IBM / Kyndryl Retirees Chapter and I are investigating whether there was an injustice to IBM retirees when IBM change healthcare offerings. Hector is also an NRLN Board member.

On September 14, 2022, IBM announced that on January 1, 2023, U.S. retirees would be prevented from using Future Health Account / Healthcare Reimbursement Account (FHA/HRA) funds to pay for anything other than the two Medicare Advantage plans specified by IBM. We are gathering information through documents and a survey of IBM retirees to help decide whether IBM retirees are entitled to Supplemental Enrollment Period (SEP) and "Guaranteed Issue Rights" for a Medigap plan under Medicare federal law.

The NRLN has experience with Tennessee Valley Authority (TVA) Chapter members and others about their Medicare supplemental plan "Guaranteed Issue Rights." These rights may apply to IBM retirees forced to choose Medigap without FHA/HRA dollars or Medicare Advantage with FHA/HRA support.

### Senate Health Education, Labor and Pension (HELP) Committee Report

Key findings from the report released February 28 include:

1. Nearly half of Americans 55 and older have no retirement savings.
2. 52% of Americans 65 and older are living on less than \$30,000 annually and 1 in 4 survive on less than \$15,000 per year.
3. Nearly 5.3 million Americans 65 and older live in poverty, roughly 1 in 10 seniors.
4. Nearly half of all Americans are at risk of a financially insecure retirement, up from 1 in 3 workers in 1983.
5. The average monthly Social Security benefit in 2023 was only about \$1,782, or \$21,384 annually.
6. The top 20% of earners receive 63% of the \$202 billion in annual income tax breaks for retirement accounts, while the bottom 60% receive just 13.4% of these breaks.

The NRLN has been working with HELP Committee staff to propose its Pension Risk Transfer bill mentioned above and supports a revision of pension laws that would interest and encourage corporations to support growth of defined benefit single-payer plans.



By Dave Baine, President, Engineering Retirees Society

The Engineering Retirees Society (ERS) is an organization of retirees who were employed in a unit represented by The Society of Professional Engineering Employees in Aerospace (SPEEA), IFPTE Local 2001,

during their days of employment. Our ERS members are mainly retirees from Boeing who live in the Seattle area, but many of our members live across the USA.

Our mission statement begins with: identify and rally support for federal legislation that will protect our retirement benefit plans including employer sponsored pensions, Medicare, and Social Security. It is important that we protect the real income and security of retirees. We actively oppose legislation that will do harm to the quality of retiree life.

This is why our affiliation with the NRLN is important because the NRLN works to secure federal legislation that will guarantee the fair and equitable treatment of retirees.

An NRLN proposal that was passed in the Secure 2.0 Act of 2022 protects ERS members in the event that Boeing has made an error and overpaid pension benefits. Prior to the law, a company could "recoup" or recover pension overpayments

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By Judy Stenberg, oversees NRLN Mountain West Region Chapters, NRLN Board and Chair of NRLN Legislative Action Committee.

To paraphrase Alexander Graham Bell, "When one door closes another door opens..."

In January 2013 the five State Presidents of the five regions of AUSWR (Association of USWEST Retirees) and the President of AUSWR, Mimi Hull, were advised by their attorney Curtis Kennedy Curtis (who fought and won many cases for USWEST employees and retirees) that the fight to continue protecting and enhancing pensions and retiree benefits would have to be taken up with federal legislation. The Presidents voted to close the AUSWR doors.

AUSWR and a few other retiree organizations created the NRLN. Legacy AUSWR leaders have held voting Director positions on the NRLN Board from the NRLN's inception.

When AUSWR closed its doors the NRLN created Chapters across the country of some of the former AUSWR states. The Washington Chapter, where I live, was created at this time. Also created at that time were Chapters for Oregon, Idaho, Montana, Utah, which eventually became the Mountain West

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made to a retiree when it discovered them, no matter how long it had been. With the 2022 law, the Company doesn't have a fiduciary obligation to recoup; but if it does recoup it must be done within three years of initial overpayment and may not recoup more than 10% of overpayment per year. A company may not recoup against a beneficiary.

We support the NRLN's current efforts to gain legislation to protect ERS members should Boeing decide to do pension plan de-risking (also known as Pension Risk Transfers) and convert its pension plan to an annuity. The NRLN is advocating that the annuity contract must provide re-insurance with another certified insurance company should the initial company default on annuity payments.

ERS keeps in touch with its members through our quarter all-member "hybrid" (both in-person and online Zoom) noon time meetings on the first Thursday in March, June, September and December. Our meetings enable socializing, topic presentations and discussions.

A couple of examples of our post-lunch presentations are:

March 2024, Dr. Maddy Jalbert, a University of Washington postdoctoral fellow, provided an overview of what makes information feel true, how these feelings of truth can lead us astray, and why people share false information. At the December 2023 meeting, Jared Adams, an attorney who provides legal services covering estate planning and probate, talked about federal and state estate tax changes.

ERS also holds investment meetings for our members at noon on the third Thursday of odd months. Our most recent speakers were Matt Boelter, Financial Planner, and Brian Johnson, Chief Investment Officer for Viridian Edelman Financial. Our November 2023 meeting featured a presentation on "Post Glass-Steagall Investment Strategy."

Another way ERS communicates with its members is through our quarterly newsletter. The newsletter is issued in time to announce the speakers for upcoming "hybrid" meeting and our investment meeting. Each ERS Newsletter usually includes reports from our Vice President, Secretary, Treasurer and me.

(Continued from page 2) **By Judy Stenberg**

Region of which I am the Regional Vice President. In addition to this responsibility, I am on the NRLN Board and Chair the Legislative Action Committee, which evaluates how the bills introduced in Congress could affect seniors and retirees. I am an unpaid volunteer as are the vast majority of people who work for the NRLN and I have been working for retirees and seniors for well over 20 years.

Chapters are vital to the NRLN's fight to prevent the reduction or loss of Social Security, Medicare, and pensions, which were earned while working. There are Chapter members in all 50 states. The Chapters work in conjunction with the Grassroots network that was formed to enhance the work of the NRLN.

One of the most important things the NRLN does is maintain ongoing communication with the House and Senate. This is done by occasionally asking our members to write to their Senators and Representative and appropriate staff when issues critical to seniors and retirees are before them.

There are times when NRLN leadership goes to Washington DC to meet with key people regarding an issue. We also have Fly-Ins which is an opportunity for NRLN leadership and members to meet with their Senators and Representative. I have attended all but one of the Fly-Ins. This is an opportunity to create a relationship with Congress. In most cases when I reach out to a staff person, I can expect a timely reply.

Eighty-five percent of the funding for the NRLN comes from contributions. The NRLN is unique in that it does not require dues for membership, except for Associations. It makes an annual appeal for a voluntary individual contribution. Our members value the work that the NRLN does and they show it by their contributions.

My intent is to continue my NRLN work for the foreseeable future. I will continue based on the Moto **we are in this together or we are not in it at all.**

**NRLN Fly-In to Washington, DC** - The NRLN Fly-In to Washington, DC will be September 16-18, 2024. There will be an NRLN Board meeting on Monday morning open to attendees. The lobbying issues briefing session will be on Monday afternoon. Tuesday and Wednesday (until departure times) will be spent on Capitol Hill in appointments with members of Congress and their staff to discuss key issues of the NRLN's legislative agenda. If you are interested in participating in the Fly-In send an email to [contact@nrln.org](mailto:contact@nrln.org).



## A View from Washington, DC The Future of Medicare and Social Security

By Alyson Parker, NRLN Executive Director

With the Social Security Trust Fund becoming insolvent in 2033 and the Medicare Part A Program beginning to run deficits starting in 2025 and depleting the Trust Fund by 2031, there is a lot of chatter in DC about how to fix this mess. Congress and the Executive Branch have done a good job of kicking the can down the road, but they realize now they are running out of time.

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In the House, the House Budget Committee introduced the Fiscal Commission Act of 2023, which passed out of the committee with the help of some of the Democrats on the committee and currently has 24 cosponsors. This bill will fast track a major policy change in that it creates a bipartisan commission to slow the increasing level of debt which now sits at 34 TRILLION!

The stated purpose of the Commission is to increase the long-term solvency of Social Security and Medicare. Briefly, the commission would have 16 members which would include four outside experts and the remaining 8 slots will be evenly divided between Democrats and Republicans. It sounds good, right, that a bipartisan commission will focus on saving these programs? Well, the problem is that these hearings would not be open to the public and would be brought to the floor of the House and Senate without any amendments being allowed. For two programs that so many seniors rely on monthly, we don't support this secretive process.

There is also Representative Larson's bill HR 4583, Social Security 2100 Act, which attempts to address social security insolvency by increasing benefits and adjusting the COLA for inflation by applying the FICA to earnings above \$400,000. The bill has 183 cosponsors but they are all Democrats. Thus, it will not move with the Republicans controlling the House.

On March 7, during his State of the Union address, President Biden promised he would protect Social Security and Medicare. In the budget proposal he just released, he proposes increasing taxes to 5% on the wages, investment gains and self-employment income of people earning more than \$400,000 a year. Likewise, Trump has promised not to touch Social Security and Medicare, but also mentioned cutting the waste and fraud in the programs without giving specifics.

Time is running out for both programs and whoever controls the White House and Congress after the 2024 election will have to solve these issues.

As always, we will continue to be your voice on the Hill and protect your benefits and interests.

**NRLN MEMBERSHIP CONTRIBUTION**

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*The NRLN is a nonprofit organization. Because we lobby, contributions are not tax deductible.*

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