



NRLN Focus



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The NRLN Clarion Call...Retirees' Issues Advocated on Capitol Hill

By Bill Kadereit, NRLN President



NRLN members took advantage of both the House and Senate being in session the week of September 15 to advocate retiree issues with Representatives, Senators and their staff on September 17 and 18 before a campaigning recess during the month of October.

A September 16 afternoon briefing session at the Holiday Inn Washington Capitol Hotel Fly-In attendees were prepared to go to Capitol Hill to advocate for the following important retirement issues:

Pension Risk Transfer

A Pension Risk Transfer (PRT), also known as De-risking, transfers pension plan risk from the fiduciary company to the pensioner through the transfer of pension assets and liabilities from the company to an insurance company. When the pension plan sponsor executes a PRT the plan participants lose the protection of Employee Retirement Income Security Act (ERISA) and the Pension Benefit Guaranty Corp. (PBGC).

Foremost among the protections that the NRLN advocates is an annuity contract with full reinsurance of the monthly benefit. Only a group annuity contract that requires independent, third-party reinsurance by a highly-rated insurance company can reliably replace ERISA's and PBGC's guarantees and protect pension plan participants.



Jay Kuhnle (right) President, NCRO, along with Rich Brown and Kathie Neal, NCRO Leaders, discuss Pension Risk Transfers (De-risking) with Blake Nolan, Deputy Chief of Staff for Rep. Van Buchanan (FL-16).



McKenzie Fields, Legislative Director for Rep. Nancy Pelosi (CA-11) meets with Hector Saenz (left) President, IBM/Kyndryl Retirees Chapter and John deCastro, Lucent/Nokia Retirees Chapter member and a Rep. Pelosi constituent.

Funding Social Security

Social Security's Old-Age and Survivors Insurance Trust Fund (OASI) Trust Fund can only pay 100% of scheduled benefits into 2035. At that time, reserves will be depleted, and program income will only be sufficient to pay 83% of benefits.

The NRLN advocated that Social Security's funding gap be closed – but not by cutting benefits. The funding gap should be closed through a modest increase (possibly between 0.5% and 1.5%) in the current payroll tax rate (6.2% for employees and 6.2% for employers). In addition, make all wages subject to the payroll tax by removing the 2024 cap of \$168,600 and future caps.

The Social Security Administration's Office of the Chief Actuary calculated that completely

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eliminating the taxable maximum would close about 70% of the shortfall and extend the trust fund's life to about 2060.

Don't Raise Age for Full Retirement

NRLN members emphasized in their meetings that we oppose raising the age for full Social Security retirement from the current 67 to 69 as some lawmakers have proposed. Raising the full retirement age diminishes lifetime benefits. Seniors with health issues or who work in physically demanding jobs may not be able to work an additional two years to reach full retirement benefits.



Herb Zydney, Lucent/Nokia Retirees Chapter member and a New York constituent of Senate Majority Leader Chuck Schumer, meets with staff members Lizzy Burke and Sohil Khurana.

Adopt Pension Statutes for Social Security Clawback

Congress still requires that every effort be made to recover overpaid benefits regardless of the number of years ago, regardless of whether SSA made the overpayment mistake. The NRLN proposed existing SSA overpayments be waived, and the current Social Security Code be replaced with statutory language similar to the NRLN's proposal on pension recoupment enacted in the SECURE 2.0 Act of 2022.



Judy Stenberg, NRLN Region Vice President and Cindy Persitz, Detroit Edison Alliance of Retirees (DEAR) member, meet with staff members for the Senate Special Committee on Aging.

Prior to the 2022 law, a company could "recoup" or recover pension overpayments made to a retiree whenever 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. The same rules should apply to Social Security overpayment recovery.

Benefits Should Be Same for Original Medicare Enrollees

The 32.8 million Medicare Advantage enrollees receive 22 chronic disease benefits approved by Congress. Those benefits, such as, vision, hearing, dental, transportation to doctor appointments, meal deliveries, carpet shampooing for asthmatics, etc. are denied to the 27 million original Medicare beneficiaries.

Several written quotes from NRLN members were presented in meetings to point out that the special benefits for both Medicare Advantage and original Medicare participants should be the same.

NRLN Members Advocated Passage of Susan Muffley Act

As NRLN members had done in recent Fly-Ins they advocated for the passage of the Susan Muffley Act. They pointed out that the federal government's Auto Team picked winners and losers in the General Motors and Delphi auto industry bankruptcies of 2009. Delphi salaried retirees were singled out to have their pension plan terminated and taken over by the PBGC.



Jim Odle (Right), President, DuPont Retirees Chapter, discusses retirement issues with James Danegger, Legislative Assistant for Senator Marsha Blackburn (TN).

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This resulted in 20,000 Delphi salaried retirees losing up to 70% of earned and promised



Mary Foley, (Right) President AASBCR and Tom Gray, AASBCR Board Member, meet with Lucy Schmitz, Legislative Assistant for Rep. Sean Casten (IL-06)

pensions. Passage of the Susan Muffley Act would restore the terminated pensions benefits. It was emphasized that that the bill is not a pension plan bailout. It corrects a wrongful government action!

HCTC Should Be Made Permanent

For several years Congress passed year-to-year legislation to reauthorize the Health Coverage Tax Credit (HCTC) Act but failed to do so for in 2022. HCTC helps retirees ages 55-64 cover the cost of health insurance if their pensions have been taken over by the PBGC, or if their job was outsourced abroad or they qualify for Trade Adjustment Assistance.

In their Capitol Hill meetings NRLN members advocated for passage of H.R.3912, Bob von Schwedler Permanent Health Coverage Tax Credit Expansion Act, which would make HCTC permanent. Or at least pass H.R.2914, Health Coverage Tax Credit Reauthorization Act of 2023, which would reauthorize HCTC through 2027.

Legislators Alerted to an Upcoming NRLN Effort

The NRLN will soon be scheduling meetings with Congressional staff members, Committee Staffs and the Centers for Medicare and Medicaid to advocate that federal statutes be enforced for Avaya, AT&T, IBM and TVA retirees to have their Medicare rights protected for Guaranteed Issue Rights and Special Enrollment Period which were denied when their former employers terminate their original Medicare and supplement plan (Medigap) coverage.

Albert Duscher Named Award Recipient

During the September 16 issues briefing session at the NRLN Fly-In it was announced that Albert Duscher is the recipient of the 2024 Bob Martina Spirit Award. Duscher is a member of the NRLN's Legislative Advisory Committee who provides his expertise on pension and Social Security bills. The award is a memorial to Bob Martina, NRLN Vice President – Grassroots.



A View from Washington, DC Next Few Years Are Critical for Retirees

By Alyson Parker, NRLN Executive Director

A little over a month to the election and who will control the House, Senate and White House are up in the air. It is looking like, though, one party will not control all three chambers, which means they must work together and negotiate something that seems particularly hard lately.

For retirees, the next few years are critical in that there are many issues that need to be addressed – Social Security Reform, Medicare and Medicare Advantage, De-risking, and Prescription Drug prices to name a few. Below is just a brief snapshot of the issue and where the NRLN is on the issue.

De-risking – De-risking is when a plan sponsor transfers pension plans to a third party which results in the retiree losing pension plan restrictions. NRLN is advocating for full reinsurance of the

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monthly benefit in addition to other protections.

Social Security – NRLN is strongly urging that the Social Security fund needs to be fully funded immediately. Our solution is to not cut benefits that have been promised to beneficiaries, but to make a modest increase in the payroll tax for employees and employers until the gap is closed. NRLN opposes raising the retirement age.

Medicare – Congress needs to ensure that all benefits given to Medicare Advantage retirees are also applied to traditional Medicare recipients. Right now, Medicare Advantage retirees receive vision, hearing, dental, transportation and more that are not offered to the 27 million retirees in traditional Medicare.

Additionally, steps need to be taken to protect the Guarantee Issue Rights of all retirees when their Medigap plan is discontinued. This is a new issue that the NRLN is working on as TVA, IBM and AT&T retirees have been impacted.

Susan Muffley Act – We will continue to advocate for the pension benefits of the Delphi Salaried Retirees to be restored.

Finally, we will continue to work to make Health Care Tax Credit permanent. The HCTC helps retirees ages 55 to 64 cover the cost of health insurance if their pensions have been taken over by the PBGC.

As always, we will continue to work to protect your interests with Congress and the Administration.

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