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**NEWSLETTER – Jan. 2012**

*Our lives begin to end the day we become silent about things that matter.*

*Martin Luther King, Jr.*

About the Alliance:

The Alliance is a unique state/national organization working to protect the health and economic security of seniors, reward work, strengthen families and build thriving communities. Launched in Wisconsin in 2005, it is a coalition of AFL-CIO affiliated unions, retiree groups, and community-based organizations dedicated to economic and social justice.

The Alliance is a voice for retirees and older Americans. Our goal is to educate, energize and mobilize seniors to make a difference through activism. The Alliance fights for:

A strong Social Security system that provides guaranteed benefits & protects families for life.

Health care seniors can depend on through Medicare.

Affordable and accessible prescription drugs.

Strengthening pension laws.

Affordable and accessible long term care

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## **Walker's Belated Attack On Retirees**

Leon Burzynski

Perhaps you heard the old saying about "the other shoe falling." Given the propensity of Governor Walker and his Republican minions in the Wisconsin legislature to introduce and pass one bill after another that guts employee rights and benefits, the latest move should not be a surprise.

Buried in the Wisconsin Biennial Budget Bill was a directive "to study the Wisconsin Retirement System (WRS)." What did this mean? In a nutshell, that phrase is the Walker code for privatizing the WRS. As the notorious bank robber, Willie Sutton, once said, "That's where the money is."

To be honest, Walker and the Fitzgerald brothers do not have the intelligence to make this happen on their own. Upon completion of their bogus "study," they will introduce the language written by the American Legislative Exchange Council (ALEC).

The ALEC model language wants to make public employee retirement benefits optional. Their proposal would give public employees the option of a defined benefit (pension plan) or a de-

defined contribution (401(k) type plan).

In the "land of freedom" mentality that has overtaken the country, ALEC figures this is a good way to decimate the existing pension plans. Younger workers, in particular, have this notion that they can do better on their own in the stock market. Young workers are never going to get sick, never going to get old, and they are going to become millionaires from their Wall Street gains.

While Walker will claim the folks already in the plan have nothing to worry about, he is flat out lying. The ALEC model legislative proposal specifically states that the present plan "would be required to transfer the actuarial present value" of employees who decide to try their luck on Wall Street to their 401(k) type account.

Given how actuarial values of pension plans work, this would be the same as stealing from the existing retirees. The actuarial value of a pension plan is based on the professional management of the entire amount of the plan with the funds at hand as they relate to the number of participants in the plan.

It factors in the amounts paid by all workers in the system.

The present economy is a perfect illustration of the fallacy in this proposal. By allowing plan participants to withdraw at any time, it creates the same trap door that 401(k) and IRA investors have faced. In order to buy groceries, keep their homes, or send their kids to college, they raided their 401(k)'s which, of course, is their retirement income.

The WRS is not broke and does not need any repairs. Governor Walker's efforts to facilitate the privatization of the WRS is nothing more than his way of rewarding his cronies on Wall Street and continuing the war he started against public employees in Wisconsin.

With the Mercury Marine and Manitowoc Crane company treatments of their workforce, it will only be a matter of time before private company unions adopt Walker's pro-1% agenda.

I urge all Wisconsinites to see this for what it is — another attack on union workers and retirees. It is stealing through the legislative process, which I thought only took place in Chicago.

# THEY CALL IT THE “BOMB” IN THE AFFORDABLE HEALTH CARE ACT I CALL IT GREAT NEWS

Vivien De Back

Over the past few months, this column focused on the continuing benefits of the 2010 Patient Protection and Affordable Health Care Act (ACA). Provisions of the bill will continue to become law over time until 2014. Last month an important provision of the bill became law and will affect patient care and, more importantly, insurance Companies

On December 2, 2011, the Department of Health & Human Services (HHS) issued new rules pertaining to what qualifies as medical expenses. HHS is determined to assure that insurance companies spend at least 80% of their premiums on actual medical care rather than overhead, marketing expenses, and exorbitant salaries for CEO's and board members. Insurers who do not meet this requirement will have to send their customers a rebate check representing the amount which they underspent on actual medical care.

For example, HHS has said the cost of advertising your insurance cannot be considered the same as providing you with medical care. It seems like a no-brainer; insurance companies cannot use your premium to sell you insurance. This is the true 'bomb' contained in the Affordable Health Care bill and the “one item that will have more impact on the future of how medical care is paid for in this country than anything we've seen in quite some time.” (Unger, 2011)\*

What seems to be clear is the dollars collected by the insurance companies and the dollars they are REQUIRED to spend on actual care for patients may make it difficult or impossible for insurers to make a profit and at the same time spend at least

80% of premiums to cover medical expenses. The result is that health care customers will receive the benefit of better and more comprehensive care while the insurance companies will have fewer dollars to spend on advertising and paying excessive salaries and bonuses to CEO's and board members.

Frankly, the for-profit insurers can still make a profit and meet the HHS requirements. However, this means realignment of funds from advertising and salaries to patient care. The shift in the Health Care system is finally on the way as the provisions in the law push us closer to a more affordable health care system. The “shake out” will not destroy the American Health Insurance industry. Health Care Insurance will be there for those who can and want to pay for it. The difference will be that those who cannot afford private insurance will have the opportunity to get needed health care coverage for their family.

The ACA has already helped over 2.65 million retirees save an average of \$570 annually on their prescription drugs. This savings will continue to increase each year until the ACA totally eliminates the doughnut hole in 2020.

You probably figured out that the great news above can only be sustained if President Obama is re-elected in 2012 and the House and Senate change to representatives of the people who believe in health care for all.

The present group of candidates running in the Republican presidential primaries are all supporting the Paul Ryan Medicare voucher plan. Under this plan, Medicare would become a “taxpayer-subsidized” plan that

has seniors buying their coverage from private insurance companies. In addition, the amount of the voucher would require Congressional approval for its funding levels on an annual basis. With the present dysfunctional Congress, we can only imagine how well that would work. Insurance companies would have increased obscene profits while retirees are left high and dry.

America is aging. The 2012 elections will be the first in our country's history where the majority of the voting age group is over 45. This demographic shift makes Medicare more important and it gives older workers and retirees more political clout. We cannot let ourselves be influenced by the lies and scare tactics. We cannot let misnamed groups like the 60 Plus Association, a Republican managed advertising campaign, scare us into buying their lies and false claims.

We in Wisconsin have seen how dramatic changes can take place in less than a year, as Governor Walker wiped out years of Progressive legislation that once made this a great state in which to live. Our country can also be changed for the better or the worse.

That is why RECALLING WALKER is energizing people of our state to correct the injustices of the past year. It is also good for our nation as we in Wisconsin stop the onslaught on the middle class and save GOOD legislation such as the Affordable Health Care Act.

\*Unger, Rick. "The Bomb buried in Obamacare Explodes Today- Hallelujah." [Forbes.com](http://www.forbes.com/sites/rickungar/2011/12/02/the-bomb-buried-in-obamacare-explodes-today-halleluja/) 2 Dec 2011 <http://www.forbes.com/sites/rickungar/2011/12/02/the-bomb-buried-in-obamacare-explodes-today-halleluja/>

# How Many Ways Can Retirees be Attacked?

Leon Burzynski

The collapse of the economy in 2008 was the beginning of a multi-pronged attack on retirees. The collapse of the housing bubble, leading to the crash on Wall Street, siphoned a little over \$5 trillion from the investment account savings of retirees.

In addition, the tremendous decrease in the housing market dropped the value of our homes anywhere from 25 to 50 per cent. Many retirees with a mortgage on their home now find themselves occupying a house worth less than the amount owed on the mortgage. It looks like someone else is getting the gold in these golden years.

The second attempt to attack our pocketbooks came with the 18 members of the Bowles/Simpson Deficit Commission. Several of their recommendations were geared toward cutting Social Security and Medicare as a way of reducing the debt owed by the U. S. Government. Although the Commission never reached the necessary 14 votes to send a plan to Congress, several of the individual proposals are being kept alive by those who want to end Social Security and Medicare.

The failure of the

Bowles/Simpson crowd to reach agreement was followed by the Paul Ryan plan to convert Medicare to a voucher plan. His first attempt would have shifted \$34 trillion in costs to retirees over the next 75 years. It made our losses on investments and homes look trivial compared to the cost of healthcare. The Congressional Budget Office estimated that, by 2050, the cost of buying an equivalent Medicare policy would be two thirds of the median retiree income.

Next came the Joint Congressional Committee on Deficit Reduction charged with issuing a recommendation by November 23, 2011, for additional steps to reduce spending. Although "everything was on the table," it seemed most of the conversation was about reforming and slowing the growth of Social Security, Medicare, and Medicaid.

What is troubling about the inclusion of Social Security is that it does not contribute a single penny to the national debt or to the federal deficit. The only reason it is included in the discussion is because there are those trying to dismantle and destroy the program.

The most recent assault on retirees quality of life is the

new Ryan/Wyden effort to make Medicare into a voucher program. Wyden, a Democrat from Oregon, seems to have drunk from the Ryan cup of expensive wine. The ARA strongly opposes using vouchers for Medicare.

The White House was even more strident in stating opposition to the plan. Here is the White House Spokesman statement on the plan. "The Wyden-Ryan scheme could, over time, cause the traditional Medicare program to 'wither on the vine' because it would raise premiums, forcing many seniors to leave traditional Medicare and join private plans. And it would shift costs from the government to seniors."

The new Ryan effort to voucherize Medicare is merely the old one in new wrapping paper. The key element is that Congress will annually address any inequities in the difference between costs of coverage and the amount of the voucher. As Vivien cited in her article on page two, we can plainly see how effective the present dysfunctional Congress is when it comes to addressing a pressing issue. Millionaires in Congress do not care about us retirees. That is why they want to end any program that benefits us.

## JOIN THE WISCONSIN ALLIANCE

## RETIREES CAN AND DO MAKE A DIFFERENCE!

**Our Mission** is to advance public policy that protects the health and economic security of older Americans.

**Our Goal** is to educate, energize, and mobilize retirees to make a difference through activism.

**JOIN** us on the **front line fighting** to preserve **Pensions, Social Security, Medicare**, and issues important to retirees!

Send your membership to: WI Alliance for Retired Americans 6333 W. Bluemound Road Milw., WI 53213

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip code: \_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_ \$20 Annual Membership Fee Enclosed Additional Donation: \_\_\_\_\_ \$10 \_\_\_\_\_ \$15 \_\_\_\_\_ \$20 \_\_\_\_\_ \$25

## **Alliance for Retired Americans 2012 Midwest Regional Conference - Milwaukee**

Prepare for next year's elections by attending the 2012 Midwest Regional Meeting of the Alliance for Retired Americans, a grassroots advocacy organization for current and future retirees. The meeting will be held at the Milwaukee Hilton, Milwaukee, Wisconsin.

The Regional Meeting will be an excellent opportunity to hear from leading experts and to strengthen your skills as a retiree activist. Attendees will participate in interactive workshops and training sessions on:

- Social Security, Medicare and the 2012 elections
- Using new on-line communication tools to educate people of all ages
- Building and growing local retiree chapters and coalitions in your state
- Participating in media events and rallies and learning how to organize them

We will also be electing Regional Board members who will help plan and implement state and national Alliance strategies and campaigns.

The Alliance recently celebrated our 10th anniversary as a progressive voice for retirees. This was a milestone marked by increased growth and effectiveness in educating and mobilizing labor and community-based retirees. You are a vital activist in a grassroots movement that is entering 2012 with a clear goal and great solidarity!

Please join your fellow Alliance members at our 2012 Midwest Regional Meeting so you can be an informed citizen during the 2012 election season.

To register online, go to:  
<http://www.retiredamericans.org/> and click on the **2012 Regional Meetings** tab. In the next screen, click on the **Midwest Registration** tab. This will open a screen with information about the conference and the ability to register online.

The conference begins on March 5, 2012, at 1:00 pm and ends on March 7, 2012, at 12:00 pm. We look forward to seeing you there and this year, bring a friend!



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