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NEWSLETTER – March 2007

*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 create an America that protects the health and economic security of seniors, rewards work, strengthens families and builds thriving communities. Launched nationally in 2001 and 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.

Message from the President

Leon Burzynski

As I gathered my thoughts to compose this message, I was taken by how the Wisconsin Alliance has grown and prospered over the first two years of its existence. We are only a few days from our second biennial convention and it seems like we just left the Founding Convention.

The past two years have been difficult times for many seniors as we witnessed attacks on Social Security and Medicare, and the start of a Plan D prescription drug that left most beneficiaries totally bewildered. The WIARA led the fight in Wisconsin to prevent Social Security from being privatized. We also traveled the state to educate people about the shortcomings of the Plan D prescription drug plan.

We were excited when the results of the 2006 elections indicated a change in Washington that might slow the attacks on the programs that stand between many seniors and poverty. If only that were the case! Judging from the State of the Union speech and the latest federal budget proposal, President Bush has a target painted on senior programs.

In spite of the free fall of his ill-fated 2005 efforts to privatize Social Security, the president, in his new budget allocates billions of dollars to the creation of private accounts for Social Security. He has tried to stack the deck by keeping the his appointed Social Security trustees in place for another four year term. These are men who are violating the public trust as they are representing the narrow interests of the president rather than the good of the beneficiaries of the plan.

The next example of what money buys in Washington is the Plan D drug benefit. In what became a windfall of majestic proportions for drug companies, the law creating it specifically bans Medicare from negotiating the prices on behalf of the 46 million beneficiaries. The early results have been a tremendous increase in profits for the drug companies. Although the majority in the newly elected Congress and a majority of Americans favor the repeal of this ban, the president said he would veto it if it passed. The arrogance is amazing.

The next heavy black cloud hanging over the heads of seniors is the expected increase in Medicare Part B premiums next year. The TREA Senior Citizens League, a nonpartisan association, estimates that premiums could increase \$15.90 a month in 2008. This means the monthly premium of \$93.50 for 2007 would be \$109.50 in 2008. A married couple would see a premium increase of almost \$400 a year.

The analysis estimates that half of the 44 million Medicare beneficiaries would see their entire Social Security cost-of-living adjustment consumed by the increase. This based on the Congressional Budget Office prediction that the Social Security COLA for 2008 would be 1.5 percent, with an average increase being \$15.70/month.

To view the relationship between Part B premiums and Social Security in perspective, the Social Security COLA has increased 14 percent over the past five years while Part B premiums have increased 60 percent. If the projected part B increase occurs, premiums will have increased 77 percent over the six years while the COLA increased 15 percent.

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WE ARE IN DANGER OF LOSING SOCIAL SECURITY COST-OF-LIVING INCREASES

Time to fight back

Vivien De Back

When the 2003 Medicare prescription drug bill (Part D) was passed, it included a little noticed provision that added a “means” test to the bill. For the first time in the 41 year history of Medicare, seniors no longer pay the same amount for the same health care service. Premium rates for Medicare Part B, which covers doctors’ visits, tests and outpatient care, will now be determined based on income or “means testing.” As a result, 2.3 million seniors will have to pay dramatically more for a benefit intended to help protect their hard-earned assets.

An estimated 50,000 seniors are expected to drop their Medicare Part B coverage in 2007 when their premiums increase. Those seniors are likely the ones without preexisting health problems, who find it easier to qualify and pay for private insurance. **The sickest and oldest will be left behind!**

When means testing is applied, individuals who report more than \$80,000 in adjusted gross income (\$160,000 for couples) will be required to pay a higher portion of Medicare premiums. Means testing will save barely three-tenths of one percent of Medicare’s budget over the next ten years. With looming budget deficits, it is a logical presumption that this is only the first group of Medicare recipients targeted for means testing. Next will be those with \$60,000 in income or, perhaps, \$40,000.

Means testing is causing considerable confusion and worry for many seniors. Medicare means testing for 2007 used Internal Revenue Service tax records from 2005. So people who realized unusual income in 2005, such as property sale, may be thrown into the higher Medicare premium category, even though their 2007 incomes may be substantially below the threshold.

In 2008 the percentage of increase in premiums is expected to double those shown in previous tables and will be based on 2006 income. The percentages will be triple in 2009 and will be based on 2007 income.

In 2007, seniors saw a \$5 increase per month in their Medicare Part B premium, As premium costs rise over the next two years, many seniors on lesser incomes will see the erosion of their yearly inflation adjustments. Nearly 10 million seniors will see their entire Social Security cost-of-living increase eaten up by Medicare part B premiums within the next five years. This is happening at the worst time for people, as their overall health-care costs are increasing because of their advancing age.

What is Medicare Part B?

Medicare Part B is medical insurance provided by the federal government to eligible beneficiaries. The coverage provided by part B includes medically necessary doctor’s services, outpatient care and most other services that Part A does not cover, such as some physical or occupational therapies and some home health care services. Part B also covers preventive services, such as hearing and balance exams, mammograms, and flu shots.

What can you do?

This insidious Medicare Part B law went into effect January 1, 2007. Although included in the Medicare 2003 Prescription drug law, the government chose not to announce means testing until 2006. Raises to Medicare Part B premiums were suddenly foisted on seniors without adequate warning...and raises will continue over three years, using up all cost-of-living increases.

Write to your representatives in the U.S. Senate and House of Representatives. Tell them to support a bill to repeal means testing for Medicare Part B premiums. You can find Wisconsin Senators Kohl and Feingold and your Congress person’s email and phone number at www.congress.org. You can also contact the Seniors League at www.seniorsleague.org and sign the petition to repeal means testing.

Sources: Senior Citizens League (www.tscl.org) : Chicago Tribune January 28, 2007.

Congratulations to the January Calendar Raffle Winners

David Wesolowski	Dennis Singer
Irene Kucharski	Dick & Mary Presser
Jean Depotsie	Leslie Davis (2)
Willie Williams	Irene Brown
Jeff Hall	Jim Schupp
Jerry Litwin	Timm Driscoll
Beverly Gellings	Dave Norgren
Jessica Pautz	Jane Forseth
Wiley Vivians	Nancy Poulson
Earl Klinzing	Beatrice Dzikiewicz
Dave Jurss	John Kiel
George McKinney	Joel Dieffenbach
Robert Salta	Gwen Jackson
Tom Mischka	Beverly Njuguna
Joyce Reiland	James Bloedel

How Retirees Can Stand Up for Today's Workers

George J. Kourpias

Unions built the middle class. By standing together, we fought for and won better wages, health care and pensions, and rights and safety on the job.

But these things are quickly becoming a relic of the past. Why? There are many reasons, but I think workers and retirees have been badly hurt by a corporate and government assault on our freedom to form and join unions.

Did you know that one out of five activists trying to form a union is fired? Or that 78 percent of private employers demand supervisors deliver anti-union messages to the workers whose jobs and pay they control? Employers routinely harass, intimidate, and fire those who want a union. And I don't think our government does much to stop this.

But we have now have a chance to change this. Because of our great work last Fall, the newly-elected Congress is likely to vote on the Employee Free Choice Act, which would finally crack down on companies that break the law and try to block a worker's freedom to choose a union. And the bill would say that workers can form a union when a majority signs an authorization card.

So what can retirees do to help?

First, talk to your children and grandchildren. Polls have shown that younger workers are the least aware of the benefits of collective bargaining. Tell them that those in unions earn 29 percent more than nonunion

workers. And that they are 62 percent more likely to have employer-provided health coverage and four times more likely to have pensions. Tell them all that our generation went through to create jobs that could support a family. And how much it hurts to see it all slipping away.

Next, tell your Representatives and Senators in Washington. Call the U.S. Capitol switchboard at 202/224-3121.

Retirees have a lot at stake in this fight. We are the ones that helped build strong unions. We are the ones who wore the uniform of our country to help defend our nation's freedoms. But the middle class we created is crumbling, and the freedoms we fought for are not available to many.

I know we all have at least one more fight left in us. We can pass the Employee Free Choice Act if we take the time to educate our family and friends and our neighbors on how collective bargaining is the best thing we can do to help working families and build stronger communities.

I look forward to working with you to make this dream a reality. Thank you.

George J. Kourpias is the President of the Alliance for Retired Americans, a three million-member grassroots advocacy organization for current and future retirees. Kourpias is a former International President of the International Association of Machinists.

For more information, please contact the Alliance at 202/637-5399 or www.retiredamericans.org

JOIN THE WISCONSIN ALLIANCE HELP SUPPORT OUR ACTIVISM FOR SENIORS

The Wisconsin Alliance for Retired Americans is a senior activist organization. Your membership means you are supporting an organization with volunteers on the front line fighting for improving Medicare Part D under Medicare and to preserve Social Security.

Send your membership to:

WI ARA, 6333 West Bluemound Road, Milwaukee, WI 53213

Name-----Phone-----

Address, city, zip-----

Email address-----

_____ \$10 membership Additional Donation _____ \$10 _____ \$20 _____ \$30

WIARA Convention Reminder

I look forward to seeing you at the second biennial WIARA Convention being held at the Concourse Hotel in Madison on Monday, March 5, 2007, from 9 AM to 3 PM. In addition to electing officers and representatives for the next two years, the delegates will decide on the proposal to change the WIARA to a 501(c)(4) organization and set priorities for the next two years. Your voice is important as the WIARA continues speaking as one voice for the 87,000 Wisconsin retirees and seniors who are presently members. To register, call 414-771-9511.

Paying to Borrow Your Own Money

Now that the W-2's, 1099-R's, and 1099 DIV's have all arrived, many Wisconsin residents have entered the tax reporting season. One of the more onerous aspects of tax season is the "Instant Tax Refund," also known as the Refund Anticipation Loan (RAL). This is where the tax preparing company advances the amount of your tax refund for a fee. Dorothy Dean, chair of a League of Women Voters Committee examining and studying this practice, says most people do not realize is that they are paying a tremendously high interest rate that ranges from 40% to 700%, depending on the size of the "loan." What many users RAL's do not know is that all large tax preparation companies (like H&R Block, Jackson Hewitt, etc.) are required to

submit returns electronically. This means recipients of a refund typically receive their money within two weeks, sometimes quicker. More importantly, they get their entire refund, one that is decreased by \$25-\$75 because of a fee charged by the preparer.

Impact of President Bush's Budget

The president continued his attack on programs that care for the elderly, poor, and disabled in his spending provisions for the next budget cycle. If adopted, his recommendation would cut \$66 billion from Medicaid over the next five years. He also wants to lessen the coverage provided by the State Children Health Insurance Program which provides health coverage to over 6 million people. The president's proposals are more difficult to understand when placed in perspective with other Washington spending. For instance, a recent report said the government spent \$1.7 billion on an amphibious vehicle that breaks down an average of every 4.5 hours of use, leaks, and tends to veer off course. In response, the Pentagon wants to start over and build seven new prototypes at a cost of \$22 million each. That would be another \$154 million on a vehicle of a type that has not been used since the Normandy Invasion. Add the usual cost overruns for government projects and the \$154 M might very well reach half a billion dollars.

