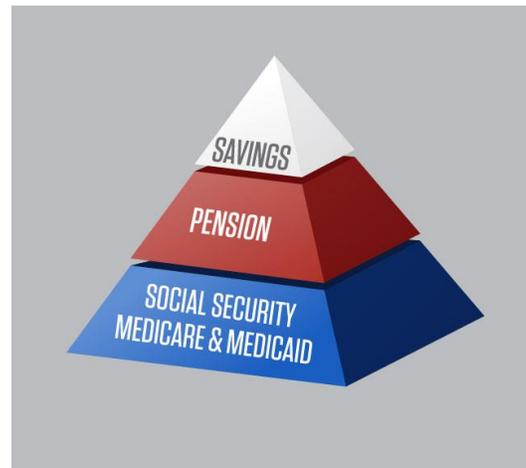




## **REAL Retirement Security Now!**

We have a retirement security crisis in America that threatens the middle class and people working their way into it. Americans are less prepared for retirement today than in decades and the overwhelming majority of people are anxious about their ability to retire. Older workers are working longer and delaying their retirement, which means younger workers have far fewer opportunities for jobs and advancement. Many of today's seniors rely on their children, who are already struggling to raise their own families. Others are forced to rely on public services. And most workers are simply trying to keep up, let alone put aside money for the future.

While many people refer to the “three-legged stool” of retirement security, a more apt analogy would be a pyramid with Social Security, Medicare and Medicaid forming the stable base, traditional guaranteed pensions as the critical middle layer, and individual savings playing a small role.



### **REAL RETIREMENT SECURITY MEANS:**

#### **1. EXPANDING SOCIAL SECURITY**

A majority of Americans—Democrats, Republicans and Independents from Maine to Hawaii—favor expanding Social Security benefits, yet many in Washington are determined to cut them. Congress should pass legislation to increase Social Security benefits and fund this increase by asking wealthy individuals to pay Social Security contributions on all of their earnings, not just the first \$118,500, as is the case today.

#### **2. PROTECTING MEDICARE AND MEDICAID**

In 1965, the nation added two very significant pillars of retirement security: the Medicare and Medicaid programs. The Medicare program provides access to modern medicine for nearly all Americans aged 65 and older, as well as to people with disabilities. Proposals to turn Medicare into vouchers should be stopped. Shifting costs to the elderly – the vast majority of whom live on modest, fixed incomes – is not a sensible approach. Proposals such as adding a home health co-

payment, increasing the Medicare Part B deductible, or taxing supplemental Medigap plans all would be harmful to seniors.

### **3. PROTECTING EMPLOYER PENSIONS**

Most workers are unable to accumulate as much savings individually as an employer pension would provide over the course of retirement. Traditional defined benefit pensions, in both the public and private sector, are being replaced by individual accounts – 401(k)-style plans – which make no commitments with regard to benefit levels in retirement, and entail numerous and substantial risks. To enjoy real retirement security, the ideal solution for most seniors is a defined benefit pension that is predictable and provides workers with a lifetime annuity—a steady, risk-free, monthly stream of income.

### **4. PERSONAL SAVINGS – YOU CAN'T SAVE WHAT YOU DON'T EARN**

Many policymakers portray the expansion of 401(k)-style plans and Individual Retirement Accounts (IRAs) as the solution to the retirement income crisis. Yet, with median household incomes largely stagnant for the past four decades and ever-rising housing, education and child-care costs, most workers are unable to spare significant sums of money each month to save for retirement. The reason workers are not saving for retirement is not because they don't have a savings account, but because after paying their bills and providing for their children most workers don't have extra money left over to save.

**Every generation should be able to retire with the confidence that they will maintain the standard of living they worked hard to attain over decades. That means:**

- **Preserving, strengthening and expanding Social Security;**
- **Protecting defined benefit pensions, and;**
- **Strengthening Medicare and Medicaid so that retirees have health care they can afford and access to long-term care if they need it so they can truly enjoy economic security.**

This year marks the 80<sup>th</sup> anniversary of Social Security and the 50<sup>th</sup> anniversaries of Medicare and Medicaid, as well as the decennial White House Conference on Aging. Now is the time for retired and working Americans to demand REAL Retirement Security Now!