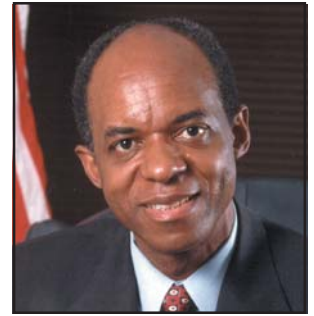




# Fighting For America's Seniors

## by Congressman William J. Jefferson



As we focus our efforts on fighting to protect America's freedoms, let us not forget those who have fought long before us in battles to pre-

serve our democracy. They are our proud patriots of World War II, our decorated veterans of the Korean War, our freedom fighters of the Civil Rights Struggle, and the many who stayed home and reared and nurtured those generations. They are our American Seniors and now, it is our turn to fight for them.

It is incumbent upon us to fight for those that fought so hard for our freedom to ensure that they are able to spend their retirement years with freedom — free from fear, free from worry, free from poverty and free from debt. Congress can fulfill this duty by providing affordable Medicare prescription drugs benefit; by guaranteeing Social Security benefits; and by permitting full spousal benefits and government pensions. I am working to see that this gets done.

### Affordable Prescription Drugs Benefit

Recently, the U.S. House of Representatives successfully passed Medicare Prescription Drug Benefit legislation but failed American Seniors. Today, America has 40 million elderly and disabled Americans. In the recent years the prices for prescription medicines have gone through the roof. At least one-third of Medicare beneficiaries do not have coverage for drugs and others are forced to create a patchwork of coverage that simply doesn't get the job done.

Yet with this knowledge in hand the House passed contentious legislation, which lays the groundwork for privatizing Medicare. The bill is more a benefit for insurance companies who will provide prescription drug coverage to seniors under their proposal than for seniors. By privatizing this benefit, we are shirking our responsibility as representatives of the people to safeguard senior access to affordable prescription drugs. Under this plan, we have no way of guaranteeing that insurance companies will offer affordable premiums, low deductibles and low co-pays, or that these same insurance companies will offer any benefit to our seniors at all. Insurance companies could decide to participate in the program one year, and pull out the next, leaving our seniors with no coverage, no possible way to afford the much needed drugs.

Also, the bill has an enormous gap in coverage. It stops when annual prescription drug costs reach \$2,000, maybe mid-year, and does not pay again until costs reach \$3,700. This could leave seniors, even the poorest seniors, with out of pocket costs of \$1,700, not even including the premiums, deductibles and co-pays!

America's seniors have waited long enough for a prescription drug benefit in Medicare and for relief from the high cost of prescription drug prices. In the last two years prescription drug costs have skyrocketed by almost 40 percent forcing America's Seniors to choose between food, rent, heat or prescription drugs. Unfortunately, with the current legislation there is no relief in sight. You can be assured that I will continue to fight for a prescription drug bill that works for our seniors.

### Social Security Privatization

Social Security has a winning record. For nearly 70 years, seniors have counted on it for income

security in their golden years. Young families have relied on disability or survivors' benefits to help pay the rent or make it through college. Unfortunately, present proposals to privatize Social Security pose a serious threat to its purpose and future health.

Privatizing Social Security may sound like a good idea at first, but the devil is in the details — the more you learn about it the worse it sounds. It would cut benefits for current and future retirees. And in the end, it just doesn't make economic sense.

Privatization proponents argue that Social Security is on its deathbed and that a radical remedy is needed. This is inaccurate. According to the Social Security trustees, new economic and demographic projections show that Social Security can pay full benefits until 2041. On the other hand, privatization will only make Social Security's financial problems worse. Privatization is based on the idea that one can take money out of the trust fund without any negative consequences. Proponents claim that the money can be thrown into the stock market where it will grow with no risk attached, particularly for Seniors who will go on collecting benefits — not so.

The privatization concept is based on a flawed and misleading understanding of how the program works. Since Social Security taxes are immediately paid out to current beneficiaries (it's a "pay-as-you-go" system), money taken out of the program would come directly out of our parents or grandparents' pockets. Hence, privatization will mean benefit cuts that would affect all recipients — retirees, disabled workers, and survivors alike. And since privatization opens a gaping hole in Social Security's finances trillions of dollars would be needed to make up the difference.

Privatization would have an even more devastating impact on women, lower-income workers, and minorities. Minorities tend to benefit disproportionately from the disability and survivors component of Social Security, but these will be cut across the board to make room for private accounts. As for those women who on average live longer than men and spend more time out of the workforce to raise children or take care of elderly parents, they would have less to deposit into private accounts. Therefore, they would have to live on smaller benefits from smaller accounts over a longer period of time, without the protection from inflation offered by Social Security.

Currently, Social Security is safe from the volatility of the stock market and the immorality of certain CEOs and CFOs. It pays benefits whether or not corporations are paying dividends. The real bottom line is that Social Security is and was designed to protect America's Seniors from poverty and dependency, ensuring that they will not suffer like those Enron employees who watched their dreams of secure retirement vanish. And, while I support programs in addition to Social Security that encourage Americans to invest in their retirement through 401(k) plans and personal savings, it is critical that we keep a portion of retirement income guaranteed. Social Security is that guarantee.

### Government Pension Offset

Finally, after more than a decade at work on the issue of Government Pension Offset Reform and with 293 cosponsors on the line, our coalition will begin an effort in mid-September to force a vote on H.R. 664. This is legislation that is important to many, many government retirees in Louisiana, now and in the future.

H.R. 664 represents a compromise approach that will relieve the burden widows, widowers and low-income workers bear by creating a threshold of \$1,200 worth of combined retirement benefits before the 2/3 government pension offset provisions are applicable.

Our effort to force a vote on this issue is long overdue and will require that 218 of our current 293 cosponsors sign what is called a discharge petition. If we are successful and get 218 signatures on the discharge petition, we will be able to vote on this important legislation for America's senior citizens.

Success on the discharge petition for consideration of H.R. 664, government pension offset reform, will demonstrate that the U.S. Congress will not forget those who have fought long before us in battles to preserve our democracy and who have paid the price for retirement security.

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