What’s Happening in Washington?

UW-Madison Retirement Association
June 16, 2015
AARP and You!

• Real Possibilities
• We are a nonprofit, nonpartisan social mission organization.
• People value AARP in different ways:
  ➢ Information
  ➢ Advocacy
  ➢ Volunteerism
AARP Priorities

• Social Security
• Financial Resilience — *Close the Loophole*
• Medicare
• Older Americans Act
• Caregiving
Social Security
Who Receives Social Security?

- Retired Workers: 65%
- Disabled Workers: 16%
- Widows & Parents: 7%
- Children: 8%
- Spouses: 4%

AARP®
Real Possibilities
Social Security in Wisconsin

- 96% of WI seniors get Social Security
- $15,374 average annual benefit in WI
- $1,281 average monthly benefit in WI
- $15.6 Billion worth of benefits received in WI
A Vital Source of Income for Seniors

Keeps 15 Million Seniors Out of Poverty

- Provides more than half of family income for almost 1/2 of all seniors
- 30% of Wisconsin seniors depend on Social Security for all of their income.
Social Security
Can Pay Full Benefits Until 2033

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Benefits Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>100%</td>
</tr>
<tr>
<td>2025</td>
<td>100%</td>
</tr>
<tr>
<td>2033*</td>
<td>77%</td>
</tr>
<tr>
<td>2087</td>
<td>72%</td>
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</tbody>
</table>
Disability Insurance Fund – runs out of money in 2016

Disabled workers face 20% cut in benefits

Rebalance funds by 2016 – re-allocation of funds; a loan between funds; or unification of funds.

DI Concerns – Funding Shortfall; Applicant Wait Times; Fraud
Protect Your Retirement Savings
• Loopholes in the law allow some bad actors in the financial industry to give retirement savings advice based on their interest; not yours.

• Bad advice costs Americans $17 BILLION per year.

• Dept. of Labor is creating a new standard to hold retirement advisors genuinely accountable.
What can you do?

• Provide public comments to the Dept of Labor

• Share your story about bad retirement savings advice

• Visit www.aarp.org/loophole
Protect your Money

aarp.org/fraudwatchnetwork

• Access Information & Resources
• Receive Watchdog Alerts
• Hear Stories
• Get Help
Medicare “Doc Fix”

• Repealed the Sustainable Growth Rate formula that meant uncertainty in Medicare physician payments
  ➢ Financial incentives for doctors to move to value based payments
  ➢ Beneficiaries – No more first dollar coverage in Medigap; higher income pay more for Part B and Part D
Medicare “Doc Fix”

Medicare Part B and Part D Income-Related Premiums Before and After 2018

<table>
<thead>
<tr>
<th>Income thresholds</th>
<th>Standard Part B and Part D premiums</th>
<th>Part B and Part D income-related premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Up to $85,000</td>
<td>$107,001 to $133,500</td>
</tr>
<tr>
<td></td>
<td>$85,001 to $107,000</td>
<td>$133,501 to $160,000</td>
</tr>
<tr>
<td></td>
<td>More than $214,000</td>
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% of Part B/D costs paid...

...before 2018

<table>
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<th>Income thresholds</th>
<th>25%</th>
<th>35%</th>
<th>50%</th>
<th>50%</th>
<th>65%</th>
<th>80%</th>
</tr>
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<tbody>
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<td></td>
<td>25%</td>
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<td>50%</td>
<td>65%</td>
<td>80%</td>
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...starting in 2018

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NOTE: Amounts rounded to nearest dollar. 1Part D standard premium reflects the national average monthly premium (unweighted) across all stand-alone PDPs and Medicare Advantage drug plans. Part D income-related premiums reflect the national average premium plus the income-related monthly adjustment amount. 2The Part D standard premium covers 25.5% of program costs. SOURCE: Kaiser Family Foundation illustration of 2015 Medicare Part B and Part D premiums.
Older Americans Act

SUPPORT THE OLDER AMERICANS ACT

Enacted in 1965, the Older Americans Act (OAA) provides essential services to our most vulnerable seniors age 60 and older. Learn more about what it does and why AARP is fighting so hard to get it renewed.

WHAT THE OAA DOES

- Preventing and detecting elder abuse
- Assisting family caregivers with information and referral, counseling and respite care
- Supporting nutrition programs, including Meals-on-Wheels
- Providing part-time community service training and employment, including programs to help older workers re-enter the work force
- Providing home and community-based services, including preventive health services and transportation assistance

AARP
Real Possibilities
Supreme Court Ruling King v. Burwell

- Kaiser state-by-state effects of a ruling for the challengers
  - 166,142 people at risk of losing subsidies in WI (6.3 million national)
  - $52 million total monthly tax credit dollars at risk in WI ($1.7 billion national)
  - $315 average tax credit per enrollee in WI
  - 252% average % increase in premiums in WI if challengers win

- Political Ramifications

- Potential “fixes”
2015 Celebrations

- 80th Anniversary Social Security
- 50th Anniversary for Medicare
- 50th Anniversary for Medicaid
- 50th Anniversary for Older Americans Act
- White House Conference On Aging
White House Conference on Aging

Monday, July 13, 2015

To view live stream: www.whitehouse.gov/live


• AARP Watch Party Kit

• Topics: Retirement Security, Healthy Aging, Long Term Services/Supports, Elder Justice

• Interactive: @WHAging
Stay Engaged with AARP Wisconsin

- Webpage: www.aarp.org/wi
- Facebook: www.Facebook.com/AARPWisconsin
- Twitter: @AARPWI
- Email: wistate@aarp.org