

Spotlight 21

SERVING RETIREES FROM

Bay Shore Brentwood East Islip West Islip
Bayport-Blue Point Central Islip Islip Sayville
Connetquot



Vol. 16 No. 4

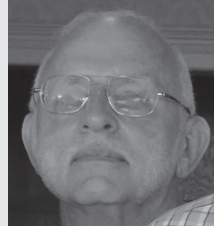
An Award Winning Publication of NYSUT Retiree Council 21

September, 2016

Visit our webpage: <http://ny.aft.org/rc21> for the expanded color version of the Spotlight.

A Message From

Co-President Mike Eiermann



Social Security...The FINAL Chapter?

The year 2035 looms large for retirees on Social Security. Give or take a year, Social Security will reach a tipping point where the program will be able to pay only 75% of mandated benefits. By that point, the \$2.9 trillion trust fund will be fully depleted and the current tax levels on income and benefits will not be enough to sustain current payouts. For the most fortunate, this diminishment will be a mere inconvenience and will not radically alter their life-style. For many others, it will be disastrous.

The Kaiser Family Foundation cites statistics that half of all people on Medicare have incomes of less than \$23,500.00, the equivalent of 200% of the 2015 poverty level.

Statistics cited by the Huffington Post indicate that 53% of married couples and 74% of unmarried persons receive 50% or more of their retirement income from Social Security.

51% of the workforce have no private pension coverage.

A Chicago Tribune article from 2015 noted, "Although 59% of people 55 to 64 have some savings, the amounts are often tiny. In that group, about half have accumulated just \$104,000 or less; 24 percent have \$25,000 in savings or less..." The remaining 41% have NO meaningful savings set aside for when they stop working. Studies have shown that most people have no idea what resources will be enough for retirement.

"AARP reports that at least 10 million people over 50 are 'food insecure' – unsure of where their next meal will come from, if it comes at all, and that food-insecure older people are 60 percent more likely to experience depression and more than 50 percent more likely to have a heart attack." (*Huffington Post*)

Why is Social Security...the bedrock of our social safety net for 81 years...facing such a dire future? The simple answer: lack of funding.

In the early 1980's, the salary cap subject to the SS tax was set by law. Subsequent increases in that amount were determined by the automatic adjustment provisions in the SS Act. The intent was to capture 90% of all wages paid in the U.S. Had everything gone according to

plan, SS would not be facing its future shortfall. Unfortunately, in the past 10-12 years, 100% of new wealth in the U.S. has been distributed upward to the top 10% of society, with the top 1% garnering 90% of that wealth, the next 9% the remaining 10%. Only 15% of that money has 'trickled down' to the rest of society. With the passage of 'right to work laws' and the decline of unions, middle class workers have watched their wages remain relatively stagnant, while corporate executives have seen their incomes soar. Almost all of that new wealth has gone as salary increases to employees already earning more than \$118,500.00 (the current maximum taxable income under SS) or as stock options (not subject to the SS tax) to compensate executives. The outcome: today only 83% of all wages paid are subject to the SS tax...a 7% shortfall. So, what can be done to correct this situation?

A number of ideas to increase SS revenue have been put forward.

Treat **all** income (stock options, health insurance, benefits, etc.) as subject to the SS tax. While some of these ideas might be unpopular, the burden would fall most heavily on the wealthiest Americans.

Gradually increase the S.S. tax rate and/or the maximum amount subject to the SS tax. While the middle and lower classes might object strenuously to the former in that they have not seen significant gains in income, an increase in the maximum amount would impact those most able to pay.

Diversify SS investments. Right now all excess SS funds are borrowed by the U.S government in the form of bonds. Allowing at least some of the SS trust fund to be invested in higher paying instruments would help grow the fund.

A millionaires' tax

Inheritance taxes

Tax on stock transactions

Increase the minimum wage: The more workers earn, the more they and their employers pay in SS taxes! (*continued on next page*)

(from page 1 Social Security)

Protect workers' right to form unions: The dramatic increases in executive pay have come at the expense of their workers. As union membership has declined, executive compensation has ballooned from 20-40 times the median worker's salary in the 1950's to between 350-500 times today. And as union membership has declined, so have wages...and therefore SS revenue.

I am sure some will criticize as unfair the emphasis on taxing the wealthiest Americans to insure the future of Social Security. But consider:

The top 10% in our society pay 71.2% of taxes, *but they control 75% of the wealth.*

The bottom 90% pay 28.9% of the taxes, *but control only 25% of the wealth.*

Further: "The ratio of CEO pay to the median salary for all other employees in the company provides a reference of how high CEO pay is. It's often used to compare CEO pay across countries. U.S. CEOs earn from 400 to 500 times the median salary for workers. For CEOs in the U.K., the multiplier is 22; in France, it's 15; and in Germany it's 12." (*Chron*) These are countries where the labor movement is strong.

In the upcoming Presidential election, you will have a choice. Democrats promise tax increases on the wealthy to protect Social Security as well as Medicare, and to create jobs through investment in infrastructure projects

throughout the U.S. Republicans promise to abolish inheritance taxes (applicable only if an individual has an estate greater than \$5,400,000.00) and to lower tax rates on corporations and top income earners. And even as they cut deeply into federal revenue, they tell us that the government will still have enough money to protect Social Security and Medicare, invest \$10's of billions in defense, and provide a variety of other benefits. Analyzing both platforms, economists have predicted that the Democratic plan would add \$2 trillion to the current deficit over the next 10 years, the Republican \$20 trillion! Remember that it was President Bush who said that the SS trust fund was a bunch of *worthless IOU's*...implying that there was no money to redeem the bonds. Republicans also have referred to Social Security and Medicare as 'entitlements' that need reform. In the past they have suggested increasing the retirement age, proposed 'means testing' SS payments that would reduce benefits to 70% of recipients based on their other income, and privatizing SS accounts. They have also floated the idea of abolishing Medicare as we know it and replacing the program with vouchers that would require you to find your own private insurance. Republican state legislatures are also responsible for the proliferation of right-to-work laws that undermine efforts to organize unions.

The AFT – of which NYSUT, your union, is an affiliate – along with the rest of organized labor – has endorsed the Democrat. On Election Day, you have a choice to make. Unfortunately, statistics show that 57% of seniors generally vote against their own self-interest. Choose wisely!

2016 NYSUT Community Service Award
Linda Brookshire
East Islip Retired Teachers' Association

Linda was honored at the June Awards Luncheon on Tuesday, June 21st at Villa Lombardi's. She has been a strong union activist throughout her career and in retirement. To quote one of her nominators: "This reliable, knowledgeable and empathetic lady is a remarkable person. She is so organized that she makes transitioning from one task to another look easy."



She has been serving her church, The First Presbyterian Church of Levittown, for the last four decades with the utmost dedication and commitment. She has served as an Elder and a Deacon, worked on numerous committees. Linda has led the children's choir and taught Sunday School. She is still a member of the Adults Choir.

Upon retiring she went to the top of her "to do" list and traveled to New Orleans after Hurricane Katrina and worked with Habitat for Humanity volunteers to help rebuild homes. She also is an active RC 21 member, serving as Assistant Secretary and working on numerous committees.

We all appreciate Linda's dedication and work ethic. We know the best is yet to come.

Spotlight 21

A Publication of NYSUT Retiree Council 21

Louisa Eiermann, Co-President
Mike Eiermann, Co-President
Simonne Harkavy, 1st VP
Marilyn Gutierrez, 2nd VP
Fred Schaefer, Treasurer
Julia Arena, Co-Secretary
Linda Brookshire, Co-Secretary

Diana Baranec Editor
spot21editor@optonline.net

Contact/ us at:
(631) 365-1640 or 1642

And visit us at:

ny.aft.org/rc21
Mike Eiermann - Webmaster

Forward changes in addresses/names to NYSUT and/or your local President



Upcoming Events



October 6, 2016 NYSUT Regional Conference - Election Year Legislative Session

October 25, 2016 - RC 21 Annual Brunch Welcoming New Retirees

All information and reservation forms are contained in this issue.

RETIREE COUNCIL 21

Welcomes New Retirees to Our Annual Brunch

Tuesday, October 25th, 2016

11:30 am – 3:00 pm

Villa Lombardi's

Holbrook, NY (631) 471-6609

Guest Speaker*

Floyd Cameron

NYSUT Manager of Retiree and Social Services

*availability may be impacted due to yet to be confirmed dates for AFT/Hillary campaign volunteer service

Cost: \$40.00 for Current Members

Complimentary for New Retirees 2016

- Fabulous Buffet Brunch including Mimosas
- Distribution of folders containing important information regarding retiree benefits and RC 21 programs
- Door Prize & Raffles
- Fair Trade items available for purchase
- Benefits Display

Please join us in welcoming our New Retirees!

***To ensure seating with your Chapter, please return your reservation form and check
(payable to NYSUT RC 21) ASAP.***

Name _____

Address _____

Phone Number _____ Email Address _____

Retiree Chapter _____

RSVP by October 11th, 2016

Mail To (CHECK ONE):

New Retiree 2015:

(Complimentary – Our Guest)

**Marie Kanzler
204 Piney Street
Islip Terrace, New York 11752
(631) 581 – 5981**

Current Member:

(\$40.00 Check payable to NYSUT RC 21)

**Simonne Harkavy
104 Raleigh Lane
West Islip, New York 11795
(631) 661 – 4446**

It can't happen without you!

Stand up and give to VOTE-COPE!



Do you want to support your union's efforts to protect public education, access to health care, labor rights and fairness for working families?

You can by contributing to VOTE-COPE.

The easiest way to do so is by **Automatic Pension Deduction**. Ask for the forms at RC 21 meetings or ask your chapter president for the form.

NYSUT is there to support and protect our pensions and health benefits. Your contribution will support these efforts.

**October 25th
Welcome Brunch
11:30 - 3:00 pm
Villa Lombardi's**

**RC 21
2016 - 2017 General Meetings**

**West Islip Public Library
10:15 am**

September 13, 2016
October 25, 2016 - Welcome Brunch
@ Villa Lombardi
November 8, 2016
December 13, 2016

March 21, 2017
April 18, 2017
May 9, 2017
June 13, 2017 - Awards Luncheon
@ Timberpoint Country Club