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Immediate Release



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Cuts To Social Security, Medicare, and Medicaid Not Supported By Older Voters
Says Survey By The Senior Citizens League

(Washington, DC) – A survey of older voters indicates that Congressional plans to cut Social Security, Medicare and Medicaid in order to shrink the deficit would be politically explosive in an election year, warns [The Senior Citizens League](#) (TSCLE). “Tax reform legislation would swell the deficit dramatically, making it more difficult to fund essential Social Security, Medicare and Medicaid benefits,” says Mary Johnson, Social Security and Medicare policy analyst for The Senior Citizens League. “This, in turn, targets those programs for cuts,” says Johnson.

“Members of Congress who advocate mandatory spending cuts are out of touch with what their constituents want — the very people they are supposed to be representing,” says Johnson. A recent national survey by The Senior Citizens League found that support for making changes that cut Social Security and Medicare benefits is extremely low among older voters. For example, only 25 percent of those surveyed support increasing the eligibility age for full benefits from 67 to 69. On the other hand, 73 percent of survey participants support *increasing the revenues* going into Social Security by applying the 12.4 percent payroll tax to all earnings. Currently the most highly - paid workers, those earning more than \$127,200 - pay no Social Security taxes on earnings over that amount. “This includes every Member of Congress and our President,” Johnson notes.

The tax legislation currently being negotiated by the House and Senate would increase the federal deficit by \$1.5 trillion or more. “That takes revenue out of the system that the federal government has ‘borrowed’ from the Social Security trust fund — money that is needed to pay the benefits of current retirees. It would also take general revenues from Medicare that is used to pay doctors and outpatient services for Medicare Part B benefits, and money from Medicaid which pays for about two-thirds of all nursing home stays for those with low incomes.” Johnson says. A large deficit would also trigger an estimated \$25 billion in automatic Medicare cuts due to a federal budget law that was passed in 2010 to prevent drastic increases in the deficit.

One proposal that deficit negotiators may try to put forward would be to reduce the growth of Social Security cost-of-living adjustments (COLAs) by tying the annual inflation index to a more slowly - growing Chained Consumer Price Index (CPI). According to projections that Johnson prepared for The Senior Citizens League, such a change would reduce total benefits paid by roughly 7 percent over a 30 - year retirement period. The average Social Security benefit of \$1,300 would be reduced by about \$174 per month if the Chained CPI is used, with a loss of more than \$25,365 in income over the same 30 year period.

The Chained CPI would also lead to bigger tax bills over time. The Senate version of the tax law that is currently being negotiated would use the Chained CPI to index tax brackets and the standard deduction in the federal tax code. Taxpayers would tend to pay more over time as the standard deduction grows more slowly.

Changes that would make older Americans pay more for their Medicare would shrink retiree budgets as well. According to The Senior Citizens League's survey, 56 percent of respondents said they already spend from 11 to 33 percent of their Social Security benefits on healthcare. An additional 30 percent said they spend greater than 33 percent of their Social Security on healthcare.

"Tax reform that results in higher taxes in just a few years, and swells the deficit, is no win for older Americans," says Johnson. The Senior Citizen League strongly opposes cuts to Social Security, Medicare and Medicaid. "We strongly urge the public to contact your Members of Congress and let lawmakers know how you feel about cuts to your benefits. Cutting Social Security and healthcare benefits is not a fix for the problems facing our aging society," Johnson states.

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With 1.2 million supporters, The Senior Citizens League is one of the nation's largest nonpartisan seniors groups. Its mission is to promote and assist members and supporters, to educate and alert senior citizens about their rights and freedoms as U.S. Citizens, and to protect and defend the benefits senior citizens have earned and paid for. The Senior Citizens League is a proud affiliate of The Retired Enlisted Association. Visit www.SeniorsLeague.org for more information.