PROTECTING EARNED BENEFITS

ProtectSeniors.Org

For Immediate Release

Retirees Say They Favor Changes to Social Security Eligibility Rules, Fear for Their Economic Survival in Survey by ProtectSeniors.Org

Almost 75 percent of retirees favor changes to current Social Security rules as a means to keep the system solvent and protect their retirement benefits, according to the results of an online survey conducted by **ProtectSeniors.Org** (www.protectseniors.org), in conjunction with **former Chairman of the Richmond Federal Reserve Bank** and **former White House Employee Retirement Income Security Act (ERISA) advisor, Dr. Thomas J. Mackell, Jr.** More than 1,100 retirees participated in the survey.

To keep Social Security solvent, a total of 73.1 percent of respondents favored a variety of eligibility rule changes, either separately or in combination. The survey found that:

- 33.4 percent believe senior citizens who receive more than $150,000 a year in retirement income should NOT be eligible to collect Social Security;

- 26.8 percent advocate raising the minimum Social Security retirement age to 67 from 62;

- 12.9 percent favor a combination that includes raising the age minimum, cutting off seniors who receive more than $150,000 a year in retirement income, and implementing the Chained Consumer Price Index (CPI) to calculate annual Cost of Living Adjustments (COLAs).

Only 3.1 percent of respondents favor use of the Chained CPI, which assumes that as prices for one product rise consumers will choose a less-expensive alternative.

Approximately one-in-four respondents – 23.8 percent – do not support any of the changes to Social Security eligibility rules the other respondents favored.

"The results of this survey indicate that retirees are quite worried about the stability of the Social Security system going forward and its ability to meet its obligation to provide seniors with the income and benefits many of them rely on to survive," said Dr. Mackell. "A large cross-section of retirees seems to believe that significant modifications of Social Security eligibility rules are necessary to ensure the system will be there to protect them as it was originally designed to do."

Survey respondents also addressed the issues of retiree healthcare benefits, Social Security COLAs, and retiree pensions.

On Supplemental Retiree Healthcare Benefits:

- 83.2 percent of respondents say they fear losing the supplemental healthcare benefits provided by their former employers; 10.6 percent say they have already lost those benefits;

- 33 percent view the loss of retiree healthcare benefits as the most important issue they face;

- 24.3 percent say the supplemental healthcare benefits previously provided by their former employers have already been switched over into a healthcare exchange plan.

On Social Security COLAs:

Almost 60 percent (58.1) of respondents say they want larger increases in their Social Security COLAs. When asked how they would use the extra money:

- 55.7 percent say to pay for medical care;

- 30.5 percent say for shopping or dining;

- 30.2 percent would save it;

- 29.7 say percent would pay off debt;

- 27.2 percent would help family members;

- 7.3 percent say they would pay for living essentials.

"The fact that over 55% would use a Social Security increase to meet healthcare needs and almost 30% to pay off debt is a troubling signal," said Dr. Mackell.

On Retiree Pensions:

- More than half (51.3 percent) of respondents rank the security of their pensions and retirement savings as the most important issue they face;

- Another 9.9 percent are concerned about the adequacy of their pension or retirement savings to meet their future needs;

- 30 percent say that they are concerned their defined pension benefits could be transferred or sold as an insurance annuity, resulting in loss of ERISA and Pension Benefit Guaranty Corporation protections;

- 37.9 percent say their pensions have already been transferred to an insurance company and converted to an annuity.

Respondents were almost unanimous (98.1 percent) in their support of legislation that would protect retirees whose defined benefit pensions have or could be sold off by their former employers in a transaction referred to as pension de-risking or pension stripping resulting in loss of ERISA protections.

"As major U.S. corporations continue to try to dump their pension and healthcare obligations on insurers who will convert those defined benefits into annuities, retirees have become justifiably fearful about the prospect of negative impacts on their economic security," said Dr. Mackell. "As the survey results show, these fears are becoming of greater concern to retirees and they want action taken to protect their interests and security."

About the survey

The survey poll was conducted online from December 5-20, 2013 and consisted of 11 questions. The survey can be found at **www.protectseniors.org**. The online survey received 1,111 responses, including retirees from Verizon and General Motors, where pension de-risking transactions have previously occurred.

About Dr. Thomas J. Mackell, Jr.

Dr. Thomas J. Mackell, Jr., is among the leading U.S. experts on pension benefits. He was appointed to the Board of Directors of the Federal Reserve Bank of Richmond on January 1, 2003 and served as Deputy Chairman from June 2003 and as Chairman from January 1, 2005 until December 31, 2008. In 1997, Dr. Mackell was appointed by the White House to the ERISA Advisory Council to the Secretary of Labor from 1997 through 1999. He is author of the book "When The Good Pensions Go Away. Why America Needs a New Deal for Pension and Healthcare Reform" (Wiley Publishing).

Dr. Mackell is also a Director of the Foundation for Fiduciary Studies, Chairman of the Board of Directors of United Benefits and Pension Services, Inc., and President of the Association of American Benefits Administrators, Inc. He is currently a member of the Board of Advisors at the George Washington University Graduate School of Political Management In Washington, D.C.

About ProtectSeniors.Org (www.protectseniors.org)

ProtectSeniors.Org is a Washington, D.C. based non-profit organization advocating for the 14.3 million retirees from 392 different companies, 45 labor union locals, 98 municipal, state and federal retiree groups, in addition to 16 associations.