April 17, 2012

United States Senate
Committee on the Budget
Washington, DC  20510

Dear Senator:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I urge you and your colleagues on the Senate Committee on the Budget to oppose the “Fiscal Commission Budget Plan” that will be included in the Chairman’s mark for the Fiscal Year 2013 Senate Budget Resolution you will consider tomorrow. Our concern arises from the fact that the Chairman’s mark is to be based on the recommendations of National Commission on Fiscal Responsibility and Reform co-chairmen Erskine Bowles and Alan Simpson.

At the time that the Bowles-Simpson plan was released, the National Committee expressed its strong opposition to its recommendations because they failed to reflect a balanced approach in addressing the nation’s fiscal imbalances. We said then, and continue to believe, that this proposal relied far too heavily on benefit cuts—to both Social Security and Medicare—which would hurt millions of Americans.

The co-chairmen’s recommendations included proposals that would:

**Cut Social Security by Raising the Retirement Age to 69** – The report called for a gradual increase in the retirement age to 68 by 2050 and 69 by 2075. Increasing the retirement age is a benefit cut pure and simple and would harm the retirement security of generations of Americans.

**Cut Social Security by Reducing Cost-of-Living Adjustments (COLAs)** – Bowles-Simpson proposed adoption of a different method of calculating the cost-of-living adjustment that would almost immediately result in smaller COLAs, impacting even current retirees. Estimates are that this proposal would lower benefits by approximately 3 percent after 10 years of retirement and 6 percent after 20 years of retirement.

**Cut Social Security by Altering the Benefit Formula** – Bowles-Simpson proposed massive changes to the benefit formula that would substantially reduce benefits for millions of future retirees.

**Cut Medicare by Increased Cost Sharing for Seniors** – Their report included proposals that would lead to hundreds of billions of dollars in new Medicare cuts, over $100 billion of which would come directly out of the pockets of seniors in the form of increased cost-sharing. The
average senior is already spending 30 percent of his/her Social Security benefit on Medicare out-of-pocket costs alone; these proposals would increase that amount.

**Cut Medicare by Reducing Provider Reimbursements** – Bowles-Simpson included a new round of cuts in Medicare provider reimbursements, which could leave seniors without access to affordable health care (as providers may stop treating Medicare beneficiaries).

The National Committee and its membership know that Social Security did not contribute to the federal debt and deficit. Furthermore, neither Social Security nor Medicare should be the targets of so-called reform measures that cut our vital social insurance safety net simply for the purpose of balancing the budget. In fact, according to the National Committee’s most recent nonpartisan polling, Americans across all ages and party affiliations are solidly against cutting Social Security and Medicare to reduce the deficit.

We thought when the Bowles-Simpson report was first released that it was the wrong way to go, and we still do. For that reason, I urge you to oppose the “Fiscal Commission Budget Plan” that will be included in the Senate’s Fiscal Year 2013 Budget Resolution.

Sincerely,

Max Richtman
President and CEO