



## NRLN 2012 Legislative Agenda - Lobby Focus

### **PROTECTION AND ENHANCEMENT OF RETIREE INCOME:**

**PENSION ASSET PROTECTION (PAP)\*:** The NRLN advocates legislation that stops corporations from taking pension assets from defined pension plan trusts to pay lump sum severance and early retirement incentives and advocates that pension funds not be used to pay executive non-qualified pensions or other deferred compensation. Assets should not be transferred to or be taken over by third party financial or other institutions.

**PBGC REFORM\*:** The NRLN advocates that the Pension Benefits Guaranty Corporation be required to ensure equitable calculations of benefit payments earned by retirees, as required by ERISA.

**BANKRUPTCY REFORM\*:** The NRLN advocates that bankruptcy reform is needed that places retirees' pensions and benefits on a list of obligations that companies can't shed while in the bankruptcy process. Retirees often lose pension, health care, and other benefits and, unlike secured creditors, rarely have the ability to recover losses. Courts must be prohibited from waiving pension funding rules during proceedings.

**PROTECT RETIREES IN MERGERS & ACQUISITIONS\*:** Requires legislation that clarifies what a parent foreign owner's pension plan obligations are should its' U.S. subsidiary be spun off or dissolved. U.S. based assets under control of a foreign owner must be able to be seized to satisfy ERISA funding obligations. Plan fiduciaries should be required to be American citizens. Clarifications are to include situations where foreign corporations that own U.S. subsidiaries are acquired by a third party, foreign-owned corporation. U.S owned reorganization and spin off rules must protect retirees from being spun to financially unstable shell companies.

(\* *The NRLN has published a position paper on this initiative, see at [www.nrln.org](http://www.nrln.org) .)*



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### **PROTECTION AND ENHANCEMENT OF RETIREE HEALTH CARE:**

**MAINTENANCE OF COST PROTECTION (MCP)\*:** The NRLN advocates a Maintenance of Cost Protection (MCP) proposal that would establish a fixed monthly payment to retirees equivalent to the value of the benefits an employer provided prior to the reduction or cancellation of retirement health care, prescription drugs, life insurance, long-term care or other benefits. Companies would receive tax credits that offset MCP payments.

**REDUCE THE COST OF PRESCRIPTION DRUGS\*:** The NRLN advocates for the reduction of prescription drug costs through passage of legislation that: (1) Enables re-importation and importation of safe prescription drugs approved by the FDA; (2) Enables Medicare to develop formularies and take competitive bids for prescription drugs; (3) Staffs and funds the FDA to reduce generic drug approval backlogs; (4) Prevents drug companies from colluding to control pricing or subvert free markets.

(\* The NRLN has published a whitepaper on this initiative, see at [www.nrln.org](http://www.nrln.org) )



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### **SOCIAL SECURITY PROPOSALS\***

Social Security is a contributory plan, an earned and paid-for benefit, not a government welfare program. It is a generational compact, today's retirees helped to pay for their parents' Social Security, and our children as current workers help to pay for us, just as their children will for them.

Current Social Security Trust Assets are sufficient to pay 100 percent of benefits over the next 25 years. Congress should address any long-term funding gap by focusing on modest increases in the payroll tax rate and increasing the cap on maximum wages subject to the tax.

There is no need to reduce Social Security Cost of Living Allowances (COLAs), do means-testing or make other cuts in benefits. Raising the Social Security tax rate and increasing the cap on maximum wages taxed would produce an actuarially sound Social Security program.

Current and past Administrations and Congresses have known for 30 years that the number of Social Security beneficiaries would double but did nothing to prepare since the last round of changes in 1983 when the Greenspan Commission gradually raised the eligibility for full benefits to age 67, in essence a spreading out of benefits. Spreading out the eligibility age limit was an insufficient action in 1983 and extending the eligibility age limit again would be insufficient and unfair to those who have paid mandatory Social Security taxes to obtain full benefits under current eligibility criteria.

The U.S. government and members of Congress do not own funds held in the Social Security Trust, the assets belong to the beneficiaries. Social Security Trust assets should be insulated from access by Congress and never again be loaned out as a piggybank to cover other government spending.

(\* *The NRLN has published a position paper on this initiative, see at [www.nrln.org](http://www.nrln.org) .)*



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### **MEDICARE PROPOSALS\***

Eliminate waste, cut back federal budgets for projects, non-strategic grants and planned budget expenditures and stop authoring wasteful preferential bills and amendments.

Attack Medicare fraud with the full force and effect of the government. Congress must enact laws that contain stiffer federal penalties, including prison time, for defrauding the Medicare system.

Pass legislation that would compel safe importation, competitive bidding, funding to accelerate generic drug sales and eliminate non-competitive practices in the prescription drug industry.

Set fair and equitable rate formulae for determining physician fees and make adjustments up or down annually. Examine costly referrals and redundant visit practices and disallow them.

Increase the Medicare tax on workers and employers until such time as payroll taxes can again fund 60-65% of the Medicare budget.

(\* *The NRLN has published a position paper on this initiative, see at [www.nrln.org](http://www.nrln.org) .)*