



42nd
Legislative District
DEMOCRATS

Resolution Against the Use of the Chained CPI for Calculation Cost of Living Increases for Social Security and Other Programs.

WHEREAS the current COLA already undercounts the higher inflation that seniors experience because they spend a disproportionate amount of their income on health care; and

WHEREAS the chained CPI will result in a yearly 0.3% reduction compared to the current inadequate COLA increase, resulting in a Social Security benefit reduction of about \$130 per year, increasing to a 9.2% reduction (almost \$1,400/year) by age 95; and

WHEREAS not only will over 56 million Social Security beneficiaries be affected, but also over 8 million SSI beneficiaries, over 2 million military retirees, over 3 million VA beneficiaries and over 2 million federal retirees; and

WHEREAS the impact will be greatest on those who draw benefits at earlier ages (e.g. military and disabled) and who live the longest, typically women who have outlived their other sources of income, depleted their assets, and rely on their benefits as their only lifeline to financial stability; and

WHEREAS generations coming of age in an extended recession will have reduced lifetime earnings as a result, are facing unprecedented levels of student loan debt, and are highly unlikely to ever have defined benefits pensions, and will therefore be even more dependent than current retirees on adequate funding of Social Security and realistic COLA calculations; and

WHEREAS Social Security can be made solvent for at least 75 years, and benefits increased, by the simple expedient of scrapping the FICA cap; and

WHEREAS chained CPI and other austerity policies would remove massive amounts of discretionary income from the 99%—exactly the wrong thing to do when we are still in the middle of a jobs crisis; and

WHEREAS two-thirds of respondents over 50 (Democrats, Republicans and Independents) say they're less likely to support anyone who backs a proposal to implement the chained CPI, which will result in severe negative repercussions for our party in 2014 and 2016 should this be implemented.

THEREFORE BE IT RESOLVED that the 42nd Legislative District Democrats call on our Democratic representatives to REFUSE to pass a budget that includes cuts to Social Security and other benefits by implementing chained CPI; and

THEREFORE BE IT FINALLY RESOLVED that the 42nd Legislative District Democrats send copies of this resolution to the members of our Democratic Congressional Delegation.

Approved by the 42nd Legislative District Democrats on April 13, 2013

Signed by Sherry Zeilstra, Chair

APPROVED

By Sherry Zeilstra at 2:30 pm, Apr 13, 2013

Date _____