

LCAO Income Security Committee Meeting Agenda

June 28, 2017 at 2:30 pm

WeWork, 1440 G Street, NW, Washington, DC 20005

Conference Room 8A

Call-In #: 641-715-3200 p/w: 635743#

1. Fiduciary Rule Update, and Retirement Savings Risks in Tax Reform—Maria Freese, Pension Rights Center.
 - a. Fiduciary Rule: financial professionals have to put the best-interest of the client first, implemented by the Obama Administration.
 - i. Fiduciary Rule phase in was delayed for 60 days (until June 9, 2017); originally scheduled for April 10, 2017
 - ii. Financial CHOICE Act (H.R. 10) threatens consumer protections, **attached**.
 - i. There has been some movement in the House on this. Could be included in the Budget Control Act and could involve a full repeal of the Financial Services protections.
 - a. Gives reconciliation instructions for this.
 - iii. Trump Administration issued Executive Order directed to DOL to reevaluate the Fiduciary Rule using “updated economic and legal analysis”.
 - iv. Alleged: reduced choices, increased cost and complexity in investment, small business considerations, increase in potential likelihood of litigation. Save Our Retirement coalition focusing on preserving the Fiduciary Rule and involved in some of the litigation.
 - v. Things you can do: Keep an eye on the DOL in case of bad actions, and stepping in, as necessary, be on standby for the short time frame to comment on the roll-out.
 - b. Tax Reform
 - i. Dependent on the way Healthcare plays out. Many believe this will not take place until after the August recess.
 - i. It will be difficult to have “all” of this paid for, numbers will be fudged and the Border Adjustment tax will garner a lot of attention.
 - ii. Currently scouring former tax bills for savings.
 - ii. Retirement Savings Risks in Tax Reform
 - i. A very concerning, potential “pay for”: Pensions.
 - a. “Rothitization” of Retirement Savings
 - i. Losing the retirement savings deduction for traditional IRAs would be replaced with Roth accounts (tax preferred on draw down instead of contribution.)
 - ii. The fear is that most people will lose the incentive to save and the impact will be irreversible.

- ii. There is a coalition of Financial Services and (some) Consumer Groups getting ahead of this so that the provision does not become a permanent part of the bill.
 - iii. Maria is looking for folks who are interested in creating a pure consumer coalition to do work on this (it will be similar in commitment as the Fiduciary coalition).
 - a. She will share any information, messaging, and research garnered.
 - b. John at NARFE expressed interest in being involved.
 - iv. Pension Rights Center is working on Multiemployer Pension Reform Act (MEPRA) fixes and working to see if there is a consensus proposal.
 - iii. Discussion about full LCAO doing a letter on Tax Reform proposals.
 - i. Problematic tax cap on medical deductions
 - ii. Pension protections
2. Maternal, Infant, Early Childhood Home Visiting (MIECHV) Reauthorization Pay-for Problems and Updates—Kate Lang, Justice in Aging.
- a. Uses provisions from the “CUFF Act” (“Control Unlawful Fugitive Felons Act of 2015”, H.R. 2504, S.1758) to pay for reauthorization of MIECHV (which expires Sept. 30th).
 - b. Cuts 2.5 billion from SSI over 10 years.
 - c. Mark-up in Ways & Means was supposed to take place last week, moved to June 28th, and now has been postponed indefinitely.
 - d. Concerns that MIECHV re-authorization could be folded into a larger CHIP re-authorization, which also expires Sept. 30th.
 - e. Even though it appears dormant at the moment, provisions of the CUFF Act may continue to pop-up in FY 18 bills—important to look out for this in bills that folks may not ordinarily look into.
 - i. If you see anything resembling the CUFF Act, whether as a standalone or a pay for, please share with the committee.
 - f. Justice in Aging lead letter on the MIECHV Reauthorization Pay for, **attached**.
 - i. 119 organizations signed on to this.
 - ii. MIECHV program has demonstrated beneficial outcomes, and reauthorization must be a priority, it should not come at the expense of cuts to SSI.
 - g. Current expiration date of the Reauthorization: Sept. 30th
3. Social Security Administration FY18 President’s Budget Presentation
- a. Budget briefing took place on June 27, 2017 at 10:00am.

- b. Organized by Social Security Administration; group introduced to Robert Patterson, Acting Associate Commissioner for External Affairs.
- c. Four page summary of budget proposals discussed in meeting, **attached**.
 - i. Heavy focus on fraud and error prevention, “program integrity.”
 - ii. Changes will be made to address backlogs, but
 - i. It appears changing SSDI eligibility will their way of achieving this.
 - iii. One of the new legislative proposals: sliding scale for multi-recipient households of SSI.
 - i. Justice in Aging issue brief on this, **attached**.
- 4. Social Security for Future Generations Act of 2017, Rep. Al Lawson – H.R. 2855
 - a. Extends solvency by 15 years
 - b. Apply Payroll Tax to Wages above \$250K
 - c. Special Minimum benefit
 - d. COLA adjustment to CPI-E
 - e. Expansion of Student benefits up to Age 22.
 - f. Updated benefit formula for Widows and Widowers.
- 5. Response to mandatory spending cuts in Administration’s FY 18 budget
 - a. Eva Dominguez started a letter on this and Jasmine sent it over to LCAO leadership.
 - b. Waiting on feedback on whether this will be included in a larger letter or if we, as a committee, will send this over as a standalone.

Next meeting scheduled for Wednesday July 26, 2017 at 2:30pm

Items of interest

- 1. The SSA budget summary.
- 2. Justice in Aging lead letter on the MIECHV Reauthorization Pay for: <http://www.justiceinaging.org/wp-content/uploads/2017/06/Oppose-HR-2824-pay-for-sign-on-letter.pdf>
- 3. SSI "sliding scale" issue brief: <http://www.justiceinaging.org/wp-content/uploads/2017/06/Cuts-to-SSI-in-Multi-Recipients-Households.pdf>
- 4. Financial CHOICE ACT (H.R. 10): <https://www.congress.gov/bill/115th-congress/house-bill/10>

In attendance:

Co-chairs: Jasmine Jefferson, Breana Clark
 Maria Freese, Pension Rights Center
 Lauren Rothfarb, AFL-CIO

Kate Lang, Justice in Aging
 Katie Smith, AFSCME
 Evan Carmen, B’nai B’rith
 John Hatton, NARFE