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NEWS RELEASE

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Actuaries Respond to President Obama's Proposed Budget: Policy Makers Should Factor the Sustainability of Social Security and Medicare Into Reform Decisions

WASHINGTON - April 11, 2013 - As policy makers debate changes to Social Security and Medicare in the 2014 federal budget proposed by President Obama, the nation's actuaries urge them to consider the impact of policy changes on the sustainability of these vital social-insurance programs. Social Security and Medicare are among the highest public policy priorities for the American Academy of Actuaries, in part because of their near-universal impact on U.S. retirees.

The American Academy of Actuaries, the organization that serves as the voice of the U.S. actuarial profession on public policy issues, urges Congress and the administration to make program solvency a priority for these programs as they begin the legislative phase of this budget cycle, and consider a full range of Social Security and Medicare reforms to assure preservation of the programs. Policy makers should consider not only the public policy impact of reforms, but also whether the reforms are supported by sound actuarial principles. The Academy offers extensive analyses of approaches often mentioned in the public dialogue regarding reforms, including:

- For Social Security: [raising the normal retirement age](#), [means testing to limit the benefits of wealthy retirees](#), [raising the taxable wage base](#), and [changing the taxation of benefits](#).
- For Medicare: [revising the fee-for-service plan design](#), and establishing a [premium support program](#) for Medicare beneficiaries, among many others.

“While consideration of a chained CPI measure for Social Security cost-of-living adjustments and reducing Medicare payments to hospitals and pharmaceutical companies are certainly approaches that figure into the federal budget’s bottom line, without more comprehensive solutions to support their long-term solvency, they will not accomplish the task of putting these programs on a path to sustainability,” said Cecil Bykerk, president of the American Academy of Actuaries. “Members of the American Academy of Actuaries will be briefing administration officials and members of Congress in the coming week on the range of options necessary to effect the financial health of these programs so critical to the needs of the nation’s seniors, for generations to come.”

For more information, visit www.actuary.org or contact David Mendes at 202.785.7872.

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The American Academy of Actuaries is a 17,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.