



AAF: Medicare and Social Security Cuts are Coming

Social Security: This week the Social Security Administration released its annual report, which confirmed that the Social Security program will have to make dramatic cuts if Congress does not act to safeguard the Social Security Trust Fund.

- The trust fund will run out of money by 2033.
- 58 million Americans will no longer receive their full Social Security benefits.
- **Social Security will have to implement a 21% cut in promised benefits.**

Medicare: Medicare is also facing huge cuts if nothing is done to fix the system. These cuts will limit seniors' access to healthcare while increasing their out-of-pocket costs.

- The Hospital Insurance (HI) Trust Fund – which covers all Medicare payments related to hospitals and nursing facilities-will no longer be able to cover all its promised benefits by 2036.
- When the Medicare Trust fund expires, seniors depending on the program will be subject to an **immediate 11% cut in benefits.**
- These cuts will reduce access to doctors and healthcare services for every Medicare participant if no action is taken.

Politicians: In both parties are more focused on using seniors as political pawns than preserving Social Security and Medicare.

- Instead of working to modernize these programs, Democrats and Republicans are engaged in political bickering.
- President Biden is treating Social Security like a political football rather than solving the problem. Biden's opposition to reform will result in massive cuts to more than 60 million American seniors.
- **Politicians who do not support reform are dooming seniors and American workers to huge, unplanned cuts to Medicare and Social Security.**

Policy Suggestions:

- Provide younger workers with the flexibility to invest their retirement funds in accounts of their choice that they own and control.
- Establish a congressional fiscal commission empowered to fast-track recommendations that will reform these programs and address shortfalls by cutting spending, not increasing taxes.
- Stop the billions in improper and wasteful spending in these programs.

Bottom Line: The American People played by the rules. Washington broke its promise.

- There is still time to reform Social Security and Medicare without impacting anyone currently in the programs.
- If we do nothing, collapse is inevitable.