Social Security: History & Reforms, Past, Present & Future

Part One of a Two-Part Series

In Service of the Local:

Saying Thank you! to R. Bruce Prochal & Welcoming some new faces to the Executive Board

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The impact of the 2016 National Elections have repercussions that will be felt for years both socially and in terms of workers’ rights. Sadly, I have spoken with Local 728 members who have been harassed by bigots who felt empowered by the election of Donald Trump. None of these events happened at work but we are Brothers and Sisters outside the workplace as well and no attack on any one of us is ever acceptable. We all must be vigilant and stand up to support not just our union sisters and brothers who may face harassment but all people of our community who may feel threatened in this new political landscape.

We also must remember that not everyone who voted for Donald Trump is a bigot or supports these despicable attacks. Most are good people who were simply looking for a change to the status quo or have different political views and did not foresee that violence and hatred would be the result of political change. These crimes are being committed by a very small percentage of the U.S. population, many of whom I suspect didn’t vote at all. While we battle intolerance, we must not be too quick to judge and condemn anyone simply because of their political affiliation. Like Dr. King said about not judging a man’s character by the color of their skin, we likewise must be careful not to judge someone’s character simply by their political party lest we be as guilty of intolerance as those who oppose us.

We can expect attacks on the United States Labor movement from at least four areas: the National Labor Relations Board, the Supreme Court, the United States Congress, and the United States Labor Department. Already we have seen the Kentucky legislature pass a Right-to-Work (For Less) Law and Rep. Todd Rokita of Indiana introduce a bill that would strip postal workers of their right to Union representation, among other things.

Our opponents would have you believe that they are only concerned with Public Sector Unions to control costs to the taxpayer but history shows that it only a matter of time before they come after us. We can’t afford to sit back and ignore these attacks.

It is expected that the United States Congress will propose a National “Right to Work” (For Less) Law while they hold majorities in the U.S. House and Senate. The only thing standing between such a bill becoming law is a filibuster in the U.S. Senate by staunch labor allies such as Kamala Harris, Bernie Sanders, Elizabeth Warren, and Sherrod Brown. As we have seen in states like Wisconsin, Indiana, and Ohio, anti-labor forces are more than willing to employ dirty tricks to pass these bills so we cannot rely on a filibuster to protect us. (But in the case of Ohio, the public fought back and overturned the law.)

Right-to-Work (For Less) legislation pivots around making union membership optional to enjoying the benefits of a union contract. This means that the person who is working next to you would have to do absolutely nothing to enjoy the same rates and benefits that you have worked hard to get. These laws enable lazy and unscrupulous people to freeload off of the work and contracts that are paid for by your hard work and membership. Under these laws, a non-member working on one of our productions would get the rights and benefits afforded by the union contract, including being
If you haven’t already done so, now is the time to start contacting your senate and congressional representatives.

**Elections have Consequences**

**by Patric J. Abaravich, Business Representative-Secretary**

We can’t go back and change the outcome of what happened in the past election, but we can’t give up either. What we need to do is continue to keep our eye on the prize. The Affordable Care Act, organized labor and unions, destruction of the middle class and higher taxes are all things that are target points now. We can’t just give up and lie down and let important gains be simultaneously taken away. We still need to fight.

Are things going to be rough? Sure they will. But they’ve been rough in the past. Our unions have always been a target. Right to work has been a goal of the GOP; it’s been one of their fantasies. And why has it become such a hotbed to get rid of unions? Because for the most part many public-sector unions – AFSCME, AMGE and the California Teachers Association – make very large political contributions to ensure that unions are current, dues-paying associations. "Right to Work" is another phrase for ‘kept from our door.’

Affordable health care for every American is something we all want. But it almost seems like the attitude is, ‘I have mine, so F-you.’ It’s so convoluted because there are so many different distracting stories about what the Affordable Healthcare Act has done for 20 million Americans. Then there’s Social Security and Medicare. Who wants to be mandated to work until they’re 70? Who wants to get a voucher so you can go out and get healthcare after you retire? You worked your entire career and contributed out of your own paycheck into Social Security and Medicare. You’ve paid for it. The government took it out of your paycheck to hold for you until you retire. And at one time 65 was the normal retirement age. Now, they want to change it to 70; it’s being edged up. Is that fair to the American citizens? You paid for these things.

There was a time not long ago where the battle cry was that Hillary Clinton was owned by Goldman Sachs. I’ve been watching the senate confirmation hearings and they include five appointees including the President of Goldman Sachs. These people will be running our country. It just makes you wonder what’s going on. These nominees (at time of writing) will likely end up in being appointed so this will be our new reality. Again, it’s something we need to stay on top of. What that means is we need to do whatever we can to make sure the decisions they make are in our best interest, not theirs.

If you haven’t already done so, now is the time to start contacting your senate and congressional representatives. Phone lines have been jammed but you can always email, Tweet or Facebook your thoughts and concerns. They want you to stay silent, so this is crucial.

For many, this is a dark and gloomy time in history and all I can say is we need to get our head out of our hands and activate to make significant changes starting in 2018. Every congressional member is up for re-election. Many of them don’t share our views on organized labor, Medicare, Social Security and affordable healthcare. We can make changes at the ballot box in two short years but we need to start now. We need to stop moping and crying, dust ourselves off, unite, and have a strong resolve that this ass-kickin’ we got in November is not going to continue more than two years. In California, we’ve been insulated from most labor problems, particularly Right to Work. But on the same coin being isolated from what’s really happening out there could be a problem. The states are falling like dominos, unable to fight state legislations.
There is no arguing that Social Security funding has put the Trust in jeopardy of failing to meet the needs of its recipients.

Why is this the case?
Why is the American working class expected to pay the costs of this reform?

A review of the Social Security program as well as an examination of both its current programs and how it is all funded is in order.

In the first part of this article we will examine the general historical background of the Social Security Administration (SSA).

The Social Security Act was envisioned by President Roosevelt and enacted by the Congress in 1935. Tax withholdings began in 1937. The first monthly benefit check was issued in 1940 to retiree Ida May Fuller. She had paid into Social Security for the first three years of its existence a total of $24.75. Upon her retirement at age 65 she began collecting her monthly entitlement check of $22.54 until she passed away at the age of 100, a total of $22,888.92. Without Social Security or a pension, it is a good guess that Ida would have likely not lived on that long.

The program was designed to address the issue of long term economic security for the aged. This is accomplished through a contributions system in which working Americans pay into a benefit fund that in turn pays retirees over the age of 65 a continuing income after retirement. This provides for the general well-being of retired Americans with a guaranteed source of income and thus easing the burden on society of impoverished senior citizens who’d be unable to adequately live on whatever money they had once retired, left widowed and/or unable to work, as well as the blind, dependent and handicapped children, maternal and child welfare. As President Lyndon Johnson later said; “Thirty years ago, the American people made a basic decision that the later years of life should not be years of despondency and drift.”

In 1939, survivor’s benefits and benefits for the retiree’s spouse and children were added.

In the 1950’s, reforms of Social Security included recognizing that Cost Of Living Adjustments (COLA) and worker wages had not been factored into the plan. While wages and the cost of living all rose, Social Security checks had stayed flat. Legislation was passed in 1950 to address this on an irregular basis by special acts of Congress.
In 1956, disability benefits were included into the program.

During the 1960’s further changes to improve Social Security were made. In 1961 the early retirement age for men (women were given this option in 1956) was reduced to 62 (with reduced benefits). The effect was a doubling of people receiving disability benefits from 1961 to 1969.

The biggest increase in coverage occurred in 1965 with the passage of the Medicare program. The Social Security Administration started administering the program that extends health care coverage to almost all Americans over the age of 65.

At the time President Johnson said, “Since World War II, there has been increasing awareness of the fact that the full value of Social Security would not be realized unless provisions were made to deal with the problem of costs of illnesses among our older citizens … Compassion and reason dictate that this logical extension of our proven Social Security system will supply the prudent, feasible, and dignified way to free the aged from the fear of financial hardship in the event of illness.” -January 7, 1965

Nearly 20 million beneficiaries enrolled in the first three years of the program. Does this sound familiar to anyone?

In 1972 reforms occurred during President Nixon’s term to streamline social service benefits, including the elimination of a requirement that Congress approve cost of living adjustments instead making them automatic.

As well, benefits were increased for spousal survivors, a minimum retirement benefit, a positive adjustment for the early reduced benefits for retirees aged 62, extension of Medicare benefits and credits for those who delayed retirement past the age of 65.

In conjunction with automatic COLAs, automatic increases in the earnings of working Americans subject to Social Security Taxes and automatic adjustments in the wage base used in calculating benefits were enacted. This latter adjustment allowed corrective adjustments for increases in wages to maintain the relative value of benefits for future applicants.

In 1977 further corrective “fixes” to the 1972 reforms became necessary. A flaw in the 1972 reform package would have caused long-term benefit levels to soar out of control. If the trends of the mid-1970s continued, future Social Security beneficiaries could end up receiving more in their monthly retirement benefit than their gross salaries while working.

Short-term funding shortfalls due to a stagnant economy and inflation were addressed by raising the payroll tax slightly from 6.45% to the current 7.65%, increased the wage base, reduced benefits, and the decoupling of wage adjustments from the COLA adjustment.

These adjustments were designed to keep Social Security solvent for 50-75 years.

The hopes of those legislators were dashed by the early 1980’s and in 1983 the first major changes that took away from the original Social Security plan and the ensuing reduction of its programs began with the passage of legislative reform recommendations made by the Greenspan Committee. We will have a look at the details in the next Bulletin and proceed with a conclusion covering what major changes are being proposed today, the next round of major moves away from FDR’s brilliant 1935 vision.

The very first monthly Social Security benefit check for $22.54 was issued to Ida May Fuller in 1940.
represented by the union in a grievance, without having to join the union. The purpose of the legislation is to weaken the power of unions both financially and at the bargaining table. Looking at states such as South Carolina who have Right-To-Work (For Less) laws, you can see that the average wage of union members and non-members alike falls as the union loses leverage in contract negotiations.

The next US Department of Labor Secretary is expected to dramatically weaken OSHA enforcement and attempt to significantly roll back worker protections. However, it is unexpected that the OSH Act will be repealed so the protections provided by CalOSHA are unlikely to dramatically change since the OSHA Act requires that state administered plans be only as effective as the national plan.

One important area to take the initiative and be on offense against these anti-labor attacks is in promoting Local 728 members as being highly technically skilled. This harsh political environment makes our goal of being seen as a technical craft all the more important. The more difficult we are to replace makes our members more valuable since they cannot be replaced by unknown people with little or no skill or training.

The Lighting Programmers (LCP) Proposal takes on a whole new emphasis now since it will benefit every member of the local. The highly skilled work that is being required by Production, for both efficiency and artistic reasons, every day simply would not be possible without the highly skilled work done by every one of our members from new riggers to established gaffers.

One of the most important things we can do is not be silent in the face of these anti-worker actions. Already we have seen how the political winds can change when people speak up. Join a protest march, post your opinions on Facebook and Twitter, and call your Representatives and Senators. You can also contribute directly to organizations such as the IATSE Political Action Committee to directly put pressure on politicians to vote for the best interests of working people. Above all, get motivated, get active, and protect your rights.

Local 728 took time at the January General Membership Meeting to celebrate R. Bruce Prochal. Bruce is taking a break from the Executive Board after decades of service to the union. In addition to serving as the Call Steward-Treasurer for three terms, over the years Bruce has been elected to numerous board positions including Vice President, President and the Local’s Parliamentarian. He was an IA and District 2 convention delegate, and also served on 11 different Local committees: Awards, Building, Business Agent Requirements, Constitution & Bylaws, Finance, Negotiation, Orientation, Technical, Training Classes & Evaluation, Trial Board and Ways & Means.

In 2014, Bruce received the Local’s highest honor for his service, the 728 Gold Card.

Thank you, Bruce -- you’ll be missed!
E-Board Members Sworn In

Some new and familiar faces were sworn into the Local 728 Executive Board at the January General Membership Meeting. They are (from left to right): Pascal Guillemard, Treasurer-Call Steward; Michael Gips; Iain O’Higgins; Alan M. Rowe, President; Martin W. Weeks and Matt Heinz.

Biz Rep’s Column

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that are focused on this legislation and attacking unions.

It’s illegal for us as a Local to use members’ dues money for political action but in order to combat something on a national level like Right to Work, it’s going to take funds; it’s not just like writing a letter or emailing somebody.

There is a concerted effort underway on part of IA and AFL-CIO and other unions to do battle in Washington, D.C. Making voluntary contributions to the IA PAC fund is critical to making sure our voices are heard. The IA needs a war chest to do battle so unions remain viable, the middle class is kept intact, and wages, benefits and working conditions rise instead of taking a nose dive or disappearing.

So I encourage everybody to go to the IA website (www.iatse.net/get-involved/contribute) and make a financial commitment - be it a dollar a week or whatever - to protect us and the middle class. You can choose between a website or payroll deduction contribution. You can also find this link in your quarterly dues emailed invoice.

I’m sure there’s a few out there that think we have nothing to worry about or it’s not as bad as we, or I, think. To be honest with you, I’d love to say I hope you’re right and we won’t lose anything. Nothing would be better if it didn’t get touched but we have to be ready.

On a sidenote, I want to introduce everyone to Ted Rapp. I appointed Ted as the new NBC/Universal Lot Steward after John Kennedy announced his retirement. I hope everyone working at NBC/Uni will stop by and welcome Ted to his new post, and please reach out to him if you have any issues or questions.

Many thanks to John for his service to the Local, and all our best wishes on your retirement.

Union Spotlight

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Notice of Application

The full list of individuals making application in the union can be found on the Local 728 website.

General Membership Meeting

Will be held on

March 11, 2017
9:00 a.m. sharp
IATSE Local 728
1001 W. Magnolia Blvd.
Burbank
Please bring your union card

Important Information Regarding Hiring

Any Local 728 member representing an employer by filling calls or who is in need of assistance with such, must contact the Local office during business hours, 8:00 a.m. to 6:00 p.m. Monday through Friday by calling 818-954-0728, texting to 818-438-0728 or emailing tcs@iatse728.org.

If you urgently need to fill a call outside of regular business hours, you must contact the Call Steward at 818-438-0728.

Members seeking weekend work should notify the Call Steward on Friday during business hours.

Anyone who hires off roster or hires any member who is not current with their dues may have charges filed against them and are subject to assessment penalties.

www.iatse728.org
1-818-954-0728
1-800-551-2158
Local 728 had an impressive presence at the 32nd Annual Martin Luther King, Jr. Day Parade on January 16th in Downtown Los Angeles. The Local has been a proud, long-time supporter of the event that honors the life and achievements of Martin Luther King, Jr. We want to especially thank Malakhi Simmons for organizing our participation in the parade and thank all of our members and their families who joined tens of thousands of participants and attendees at this year’s celebration themed, “Now more than ever, we must all work together.”