

New Castle News
June 9, 2009

U.S. Rep. Jason Altmire is co-sponsoring legislation to create a separate consumer price index for senior citizens.

The bill would establish a consumer price index to ensure that seniors' Social Security cost of living adjustments are tied to their actual purchasing needs. The current way for calculating Social Security payments is flawed, Altmire said, "because it does not accurately take into account the rising expenses that seniors face year to year."

The Bureau of Labor Statistics calculates Social Security cost of living adjustments by an index that is based on the number of goods and services consumed by younger workers. That method does not accurately account for seniors' expenses, particularly health care costs, Altmire said.

As a result, Social Security cost of living increases from 2003 to 2007 were barely one-fourth the increase in Medicare Part B premiums, he said.

Furthermore, the Congressional Budget Office predicted in March that, barring additional Congressional action, seniors may not receive a cost of living adjustment for the next three years because younger workers' spending — and the index that measures it — is set to decline due to the economic recession.

Altmire said the proposed consumer price index for elderly residents would take into account the rise in the cost of products that seniors use, such as health care services and medicine.