

Committee on Ways and Means

Republicans' Goal: Protect and Strengthen Social Security

Social Security has helped keep millions of seniors out of poverty, especially women, and is the major source of income for almost 2 out of 3 seniors.

- **Seniors need to know that their benefits are safe and secure.** No one should scare seniors into thinking they will receive anything less than 100 percent of what they've been promised.
- **No plan "privatizes" Social Security.** In each and every proposal to strengthen Social Security, the Social Security Administration continues to ensure monthly checks are sent and provides essential services to retirees, survivors, and individuals with disabilities and their families, just as it always has.
- **Voluntary personal accounts would strengthen Social Security and help avoid other painful solutions.** Allowing workers to save today through voluntary personal accounts would back Social Security with real assets and help avoid tax increases and benefit cuts. Voluntary personal accounts would allow workers the opportunity to own and control their retirement security and help them build a retirement nest egg that could be passed to children and grandchildren.
- **Democrats "Do Nothing" Plan is No Answer.** While Republicans in the House and Senate and the President's Commission have developed proposals to strengthen Social Security, Democrats have only wasted precious time in political schemes and scare tactics. Democrat's "Do Nothing" plan will ultimately lead to benefit reductions of nearly one-third, payroll tax increases of nearly 50%, unprecedented debt, or severe cuts in other government programs.
- **President Bush has outlined important principles** to strengthen Social Security now and for generations to come, including:
 - No changes in Social Security benefits for retirees or near-retirees;
 - No payroll tax increases;
 - No government investing of Social Security funds;
 - Preserving Social Security's disability and survivors benefits; and
 - Voluntary, individually owned and controlled personal retirement accounts to strengthen Social Security.

Background

The Problem: Demographic Trends Endanger Social Security.

- Modern medicine helping people to live longer + families having fewer children = the number of seniors growing faster than workers supporting Social Security.
- According to the Social Security Administration, in 1945, 42 workers supported each retiree; today, 3 workers support each retiree. In 25 years, just over 2 workers will support each retiree. We must act to strengthen Social Security.

Voluntary Personal Accounts Can Work for Everyone.

- A nationwide education effort would help workers select among approved investment options, similar to the popular Thrift Savings Plan available to Federal government workers and Members of Congress.
- Voluntary personal accounts minimize risk by offering prudent, diversified investments and providing a guaranteed minimum benefit or even guaranteeing benefits regardless of the account's investment performance.
- Administrative costs can be kept to a minimum through centralized recordkeeping and pooling investments.