

# Committee on Ways and Means

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## **Statement by E. Clay Shaw, Jr. (FL-22)**

**Committee on the Judiciary, Subcommittee on Immigration, Border Security, and Claims**  
***Hearing on "Should There Be a Social Security Totalization Agreement with Mexico?"***

Social Security has been an enormously successful program, providing essential income replacement to families when a breadwinner retires, dies, or becomes disabled. It is based on a simple principle—workers pay a portion of their hard-earned wages into Social Security in return for promised benefits.

However, in our increasingly global economy, many workers' careers cross international borders, and American citizens may lose the ability to qualify for Social Security benefits as well as similar payments from another country because they did not work enough years in either country to qualify. That is why "totalization agreements," bilateral agreements coordinating our Social Security program with that of another country, are necessary. They ensure American workers do not lose essential retirement, disability, or survivor benefits, despite a lifetime of hard work. They also prevent American citizens and their employers from having to pay Social Security taxes in two countries if a U.S. company sends workers abroad to work.

Currently, totalization agreements with 20 countries ensure income security for many thousands of Americans and their families and represent a reasonable and fair exchange to protect workers of each country. However, our Social Security program is facing financial challenges as baby-boomers enter their disability-prone and retirement years. In the next 15 years, Social Security's taxes will not be sufficient to pay promised benefits. Before new totalization agreements are considered, Congress has the responsibility to ensure Social Security is able to pay benefits to today's seniors, their children and grandchildren, and future generations.

Americans deserve to know the facts. The briefing provided to Members of the Ways and Means Subcommittee on Social Security and the Judiciary Subcommittee on Immigration, Border Security, and Claims by the Commissioner of Social Security and the testimony provided at the Judiciary Subcommittee today are essential to informing Congress and the public regarding the impacts of future totalization agreements. In addition, I have asked the General Accounting Office to examine several critical aspects of a potential totalization agreement with Mexico, including the costs, as well as the effects on workers, beneficiaries, service delivery by the Social Security Administration, immigration, and illegal work by non-citizens.

We need to weigh the costs and benefits of any totalization agreement, including whether Trust Fund dollars should first be used to strengthen Social Security's finances and enhance benefits for current recipients.

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