

# Republican Budget Plans and Social Security

*Budget Committee and Republican Study Group work together to cut guaranteed benefits*

The Republican budget sets up a special fast-track procedure to ram through cuts in Social Security benefits. The plan released by the Republican Study Committee -- which includes nearly 3/4<sup>th</sup> of the House GOP -- shows exactly what Republicans will do with their new fast-track authority.

## The Republican Budget Resolution

- Sets forth an unprecedented new fast-track procedure to ram through Social Security benefit cuts. The budget resolution sets specific new deadlines for Congressional Committees to act on Social Security legislation and states that unspecified “expedited procedures” will apply to floor action; something not allowed using reconciliation, the normal budget fast-track process. Budget Chairman Paul Ryan describes the provision as “forcing” action on Social Security legislation in the House and the Senate. (Section 502(b) of the Chairman’s Mark)
- Suggests that the Social Security Trust Fund is not real. The Budget Committee summary says that the \$2.6 trillion in current reserves generated by worker contributions to the Social Security Trust Fund “are derived from dubious government accounting,” implying that the Republican Congress might not redeem the Treasury bonds in the Trust Fund when they are needed to pay benefits that are owed. (Budget Committee Summary, p. 48)
- Rejects a balanced package. The summary that accompanies the legislative text appears to rule out a balanced package – instead, it praises benefit cut proposals and criticizes proposals to increase Social Security contributions (Budget Committee Summary, p. 47). Chairman Ryan has previously introduced legislation to cut benefits for middle-income Americans by 39-51 percent.

## RSC Budget Shows What They Want To Do With Budget Fast-Track

The Republican Study Committee (RSC) released its detailed budget April 7. “(RSC Chairman Jim) Jordan said that his plan ‘complemented’ the Budget Committee plan that got unanimous Republican support.” (*Politico*, April 8<sup>th</sup>). Budget Chairman Ryan is a member of the RSC. The RSC plan:

- Raises the retirement age to 70 for anyone born in 1975 or later, which is nearly a 20 percent cut in scheduled benefits
- Cuts benefits for everyone under 60, so this plan would affect people who are very close to retirement and have no time to prepare for changes.
- Cuts Social Security benefits starting in 2014, at a time when Social Security is projected to have \$3.2 trillion in its trust fund, enough to pay Social Security benefits for several years and still have money left over.
- Uses the \$56 billion they save by cutting Social Security benefits workers have earned (over 2014-2021) to pay for the debts run up with the Bush tax cuts for the wealthy and two unpaid-for wars.
- Under their plan, Social Security would still have a long-term shortfall and workers would face even more benefit cuts in the future.