

STATEMENT BY SEN. BERNARD SANDERS ON SOCIAL SECURITY

Sometimes we all tend to take things for granted and we forget that Social Security is the most successful government program in our nation's history. Let's be clear. For more than 75 years, Social Security has, in good times and bad, paid out every nickel owed to every eligible American. Social Security has succeeded in keeping millions of senior citizens, widows and orphans and the disabled out of extreme poverty. Before Social Security was developed, about half of our seniors lived in poverty. Today, fewer than 10 percent live in poverty and all of that is done with minimum administrative costs. In America right now more than 53 million Americans, including over 120,000 Vermonters, receive Social Security benefits. In our state Social Security benefits total over \$1.5 billion per year, an amount equivalent to 6 percent of the state's annual GDP.

Today, Social Security is facing an unprecedented attack from those who either want to privatize it completely or who want to make substantial cuts. In the coming months, a so-called super-committee in Congress made up of 6 Republicans and 6 Democrats will be making decisions to cut the national debt by some \$1.5 trillion over the next decade. Social Security is on the table and could be cut by that committee.

The argument being used to cut Social Security is that because we have a significant deficit problem and a \$14 trillion national debt, we just can't afford to maintain Social Security benefits. This argument is false. Social Security, because it is funded by the payroll tax, not the U.S. Treasury, has not contributed on nickel to our deficit. In fact, according to a very recent study by the Congressional Budget Office (CBO) Social Security has a \$2.5 trillion dollar surplus and can pay out every penny owed to every eligible American for the next 27 years until 2038. At that point it has enough money to pay over 80% of promised benefits.

Unfortunately, Republicans in Congress and too many Democrats, have been discussing harmful cuts to Social Security as part of an overall scheme to balance the budget on the backs of the elderly, the sick, the children, and working families. That is wrong, it is unconscionable, and it must not happen!

John Boehner, the Speaker of the House, and the President's Fiscal commission have both recommended raising the retirement age to 69 or 70. That, for obvious reasons, would be a disaster. Recently, the attack most discussed would be to reduce the cost of living adjustments (COLA) for Social Security recipients by coming up with a new formulation for COLAs called a "chained CPI."

What would these proposed cuts to COLAs mean in the real world? For average 65 year olds living on about \$16,000 a year, it

would mean receiving \$560 less each and every year when they turn 75 and \$1,000 less a year when they reach 85. Imagine that. Taking \$1,000 a year away from a frail and sick 85 year old woman who is living on \$16,000 a year. In my view that is not what this country is supposed to be about.

At a time when seniors, veterans, and persons with disabilities haven't received a COLA in the last two years, and at a time when the price of prescription drugs and medical care has skyrocketed, Republicans and too many Democrats believe that the formula for calculating COLAs is too generous. That is absurd!

Instead of cutting Social Security COLAs or raising the retirement age, there is a much fairer way to make Social Security solvent for the next 75 years.

Right now, an American who makes \$106,800 a year pays the same amount of money into the Social Security system as a millionaire or a billionaire. That is because today, all income above \$106,800 is exempt from the Social Security payroll tax. As a result, 94% of Americans pay Social Security tax on all of their income, but the wealthiest 6% do not. That is wrong and that has got to change.

That's why I will be introducing the Keeping Social Security Promises Act as soon as the Senate gets back into session.

This legislation will strengthen Social Security for the next 75 years by asking the wealthiest Americans to pay their fair share into Social Security.

Specifically, my legislation would apply all income over \$250,000 a year to the Social Security payroll tax.

The Chief Actuary of the Social Security Administration has projected that doing this will ensure that Social Security can pay out all benefits for at least the next 75 years.

In fairness, I can't take credit for this legislation. It is exactly what Barack Obama proposed to do when he campaigned for President back in 2008.

During the presidential campaign, [candidate Barack Obama](#) said: "What we need to do is to raise the cap on the payroll tax so that wealthy individuals are paying a little bit more into the system. Right now, somebody like Warren Buffet pays a fraction of 1 percent of his income in payroll tax, whereas the majority . . . pays payroll tax on 100 percent of their income. I've said that was not fair." The President's specific campaign proposal was to apply Social Security payroll taxes to all income above \$250,000. In other words, the proposal I will be introducing is exactly what the President campaigned on

Social Security is a promise to Vermonters and all Americans that when they get old, if they become disabled, or if they lose their parents, they will not live in abject poverty. Social Security is a promise that we

cannot break. We have got to keep our word. And, that's exactly what this legislation would do.