

STRENGTHEN SOCIAL SECURITY

...don't cut it.

March 12, 2020

Dear Member of Congress:

The Strengthen Social Security Coalition (SSSC) is a broad-based alliance of over 350 national and statewide organizations, including, among many others, women's, labor, aging, disability, veterans, and civil rights groups representing over 50 million Americans. The SSSC is grateful that members of Congress have stood firm in protecting Social Security by rejecting the Trump Administration proposal to slash that vital program's dedicated revenue. We urge you to continue to stand strong in your opposition to that proposal.

We strongly support substantial economic relief for America's workers during this moment of crisis, but there are much more targeted and fairer proposals that provide greater economic stimulus and place no administrative burden on employers. They include the excellent proposals put forward by House Speaker Pelosi and Minority Leader Schumer in their package. (See below.) Their impact on different groups of workers is compared to the impact of the Trump Administration proposal in the table below. Importantly, none of those other proposals undermine the economic security of America's working families by cutting their federal insurance contributions ("FICA") -- the premiums that they pay to insure their wages against loss in the event of old age, disability, or death.

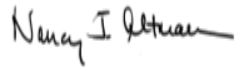
The only reason to support a FICA cut over those other, better proposals is to undermine Social Security. Even if the Trump proposal were to replace Social Security's dedicated revenue with deficit-funded general revenue, it would undermine this vital program, setting the stage for future demands to cut Social Security. Not replacing the revenue would greatly increase Social Security's projected shortfall, which is already being used by Social Security's opponents as an excuse to cut its modest but vital benefits. Replacing it, on the other hand, would lend credence to the lie that Social Security needs to be cut for deficit reasons. (Social Security can only pay benefits if its dedicated revenue is sufficient to cover all the costs of those benefits and their related administrative expenses. It has no borrowing authority. Consequently, Social Security does not and, by law, cannot add a penny to the deficit.)

In 2009, faced with the Great Recession, the Democratic-controlled Congress enacted a much superior provision, the Making Work Pay Tax Credit. After the 2010 election, though, when the Democrats lost control of the House of Representatives, the Republican leadership refused to extend the tax credit, despite the need for continued stimulus. The leadership instead insisted on cutting the Social Security contribution rate by two percentage points on both employers and employees.

We opposed it at the time, but did not prevail in our opposition. We are determined to keep Congressional supporters of Social Security from making that same mistake today. Fortunately, the House will vote on the Families First Coronavirus Response Act, which is [an excellent list](#) of steps we should take to combat the coronavirus. Their plan includes paid sick leave, enhanced unemployment insurance, free coronavirus testing, and treatment for all.

Our government should swiftly enact these measures, not undermine Social Security by slashing its dedicated revenue. Thank you for your consideration of our views.

Sincerely,

A handwritten signature in black ink that reads "Nancy J. Altman". The signature is written in a cursive style with a long horizontal flourish at the end.

Nancy J. Altman
Chair

One Time Cash Payment vs. Making Work Pay Tax Credit vs. 2% FICA Cut

Income Level or Occupation of Worker	One Time Payment Mailed Directly to anyone earning less than \$100,000 ¹	“Making Work Pay” Tax Credit for Individuals, Doubled in Size (\$120 billion cost in 2011 dollars)	2% Social Security Cut (\$120 billion cost in 2011 dollars)
President Trump, Members of Congress	\$0	\$0	\$2,740
CEOs of Wall Street banks and Fortune 500 Companies	\$0	\$0	\$2,740
Minimum Wage Earner (earnings of \$15,080)	\$1200	\$800	\$302
Middle Income Earner (earnings of \$40,000)	\$1200	\$800	\$800
“Maximum” Earner (earnings of \$137,700 or more)	\$600	\$0	\$2,740
Millions of State & Local Workers, and Thousands of Federal Workers²	\$1200	\$800	\$0

¹ The payment should be structured to gradually phase out at higher income levels.

² More than 6 million federal, state and local government employees (about 600,000 federal workers, hired before January 1, 1984, and about 5.7 million state and local workers) were not covered by Social Security and thus did not receive a tax cut under the Social Security “holiday.”