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**70% Of Older Voters Think Social Security Payroll Tax Should Apply To All Earnings**

*According To Survey By The Senior Citizens League*

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**(Washington, DC) –** Seventy percent of older Americans think Social Security’s solvency can be improved by scrapping the Social Security taxable wage limit of $118,500, according to a survey by The Senior Citizens League (TSCL). The survey —which asked politically - active retired respondents to review a number of proposals to provide greater solvency to Social Security — found that “raising Social Security’s taxable maximum wage cap to apply to all earnings above the $118,500 wage limit” received almost twice the level of support (70%) than “raising the full retirement age to 68” which was supported by 38% of survey respondents. The survey, which was performed through direct mail and online, received 1,192 responses.

“The average American may not even realize there’s a limit to the amount of earnings on which they will be taxed for Social Security. Most workers never reach it,” says TSCL Chairman, Ed Cates. “The vast majority of people pay Social Security tax on every dollar of earnings,” Cates points out.

A handful of the nation’s highest earners, about 6% according to the [Social Security Administration](https://www.ssa.gov/retirementpolicy/fact-sheets/tax-max-earners.html), pay no Social Security taxes at all on earnings over $118,500.

“Once they have earned $118,500, these workers pocket an additional 6.2% of every dollar earned over that cap,” Cates points out. A Social Security [policy brief](https://www.ssa.gov/policy/docs/policybriefs/pb2011-02.html) indicates that the overall share of wages subject to the taxable maximum is declining because wages above the cap generally have grown more quickly than the wages of the rest of the working population below the cap.

According to [Equilar](http://www.equilar.com/press-releases/31-equilar-and-the-new-york-times-release-top-200-highest-paid-CEO-Ranking-2015.html), a company that tracks compensation of the nation’s highest paid CEOs, annual median pay for the top 200 in 2014 was $17.6 million — 21% higher than the previous year. That pay increase was nearly ten times the rate of increase in average wages received by the rest of public — which rose just 2.2% in 2014, according to the Bureau of Labor Statistics. That same year, Social Security benefits rose just 1.7%.

In 2014, workers and their employers paid Social Security taxes of 6.2% *each* on the first $117,000 of earnings, the taxable maximum that year. Thus, Social Security received only $14,508 for someone earning $17.6 million. Those individuals and their companies each pocketed $1,091,200 that would otherwise have gone towards financing Social Security if there had been no taxable maximum.

The Congressional Budget Office (CBO) recently [projected](https://www.cbo.gov/publication/51047) that because wages above the taxable maximum are growing so rapidly, a diminishing share of earnings will be subject to the Social Security payroll tax in the future, resulting in falling income to finance benefits. On the other hand, a growing portion of program revenues would come instead from the tax on Social Security benefits paid by current program recipients — a regressive [tax](https://www.ssa.gov/planners/taxes.html) which starts at incomes as low as $25,000 (individuals) and $34,000 (couples).

“Scrapping the Social Security taxable wage limit would provide greater program solvency for another 50 years or so,” Cates notes. “Doing so would not only provide greater program solvency, but also enough revenue to adjust the income thresholds that subject Social Security benefits to taxation so that fewer Social Security recipients would be burdened with the tax on their Social Security benefits,” Cates says.

“TSCL supports legislation that would scrap the taxable wage limit so that all workers would pay their fair share into Social Security, and would provide greater economic security for older and disabled Americans for another 50 years,” Cates says.

A new TSCL survey is currently underway and open to the public. To participate in TSCL’s annual [Senior Survey](http://wfc2.wiredforchange.com/o/8854/p/salsa/web/questionnaire/public/?questionnaire_KEY=234) visit [www.SeniorsLeague.org](http://www.SeniorsLeague.org).

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*With 1.2 million supporters, The Senior Citizens League is one of the nation’s largest nonpartisan seniors groups. Its mission is to promote and assist members and supporters, to educate and alert senior citizens about their rights and freedoms as U.S. Citizens, and to protect and defend the benefits senior citizens have earned and paid for. The Senior Citizens League is a proud affiliate of The Retired Enlisted Association. Visit* [*www.SeniorsLeague.org*](http://www.SeniorsLeague.org) *for more information.*