For immediate release: April 11 - 13, 2016 Media Contacts:

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Supreme Court Decision On Immigration May Have Big Implications For Social Security & Medicare

Says New Report By The Senior Citizens League

(Washington, DC) – The upcoming Supreme Court Case on immigration could have significant consequences for Social Security and Medicare, says a <u>report</u> released today by The Senior Citizens League (TSCL). The U.S. Supreme Court is expected to hear arguments April 18th on President Obama's executive action on immigration. The president's immigration policy changes would allow an estimated 5 million undocumented immigrants, including parents of U.S. citizens or lawful residents, to obtain temporary deferral of deportation, work authorization and potential access to Social Security and Medicare benefits.

Changes to federal immigration policy affect the revenues that Social Security and Medicare receive and would also increase the number of people eligible for benefits in the future, according to the <u>Congressional Budget Office</u>. Both Social Security and Medicare face solvency and funding challenges.

"Concern is high among older Americans that undocumented immigrants who illegally worked under fake, invalid, or fraudulent Social Security numbers may at some point receive benefits based on such work," says TSCL Chairman, Ed Cates. A survey conducted by TSCL, a nonpartisan seniors organization, found that 82% opposed the current government policy that allows Social Security to determine entitlement to Social Security benefits based on earnings from jobs worked without legal authorization.

The TSCL report which contains Social Security Administration (SSA) data from 1937 through 2013, includes the following findings:

• Current policy benefits undocumented immigrants who have committed document fraud by using stolen, fraudulent, or invalid Social Security numbers (SSNs) to work. Rather than penalizing individuals for the use of fake or invalid SSNs, the Social Security Administration (SSA) uses all reported earnings from covered employment when determining entitlement and benefits—even when earnings are from unauthorized work performed while in the country illegally, and using fraudulent SSNs, according to the CBO.

- <u>Citizenship is not a requirement to claim Social Security benefits.</u> Undocumented immigrants who, at some point, receive even temporary work authorization, and who also receive a valid SSN, <u>may eventually claim Social Security benefits if other qualifications are met</u>, according to the Congressional Research Service.
- Although law forbids work without authorization, immigrants use invalid SSNs to get jobs. When employers provide W2s in which the name and SSN do not match those in the SSA's records, the wage report is held in the Earnings Suspense File (ESF) until the discrepancy can be corrected, according to the Social Security Administration's Office of the Inspector General. This can occur even years later when a claim is filed for benefits.
- Social Security Administration data indicate that, since 2000, the ESF grew at an unprecedented pace. According to TSCL's new report since 2000, the SSA has received, on average, 8.8 million suspicious wage reports annually. Cumulative wages in the ESF since 1980 now total more than \$1.2 trillion, unadjusted for inflation. Wages are of importance because Social Security benefits are based on an individual's earnings record, not the taxes paid in.

"Because earnings are used to determine entitlement, the portion of earnings from jobs worked prior to legal authorization poses a substantial long-term liability to the Social Security Trust Fund," Cates says. In order to improve Social Security solvency, Congress is expected to consider cutting Social Security benefits, perhaps significantly, at some point in the future. "This policy that 'pays benefits based on work while in the country illegally raises questions as to whether individuals who worked without authorization and committed document fraud will benefit at the expense of others who paid in under valid SSNs," Cates notes.

TSCL believes that Congress should strengthen Social Security's protections by enacting legislation to prohibit the use of unauthorized earnings from being counted toward eligibility for Social Security benefits, "a change that should be made regardless of the outcome of the Supreme Court decision or whether Congress moves on immigration or Social Security reform," Cates says.

To learn more and to participate in TSCL surveys and polls, visit 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 for more information.