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GOP Tax Reform Proposal Opposite Of What Older Voters Support, *Says New Survey By The Senior Citizens League*

(Washington, DC) – A tax reform plan being floated by the House GOP would meet strong opposition from activists and older voters, warns [The Senior Citizens League](#) (TSCL). The plan would end the 12.4 percent payroll tax that funds the monthly checks of about 60 million current Social Security beneficiaries. “This proposal would sabotage Social Security for both current and future Social Security recipients,” warns Mary Johnson, Social Security policy analyst for TSCL.

The proposal is at odds with how older Americans think Congress should address Social Security revenues, according to [TSCL’s 2017 Senior Survey](#), which is conducted nationally through the mail and online. When asked about options to shore up Social Security financing, 58 percent of participants said they support proposals that would very gradually increase the payroll tax rate by 1 percent each for workers and employers. The largest percentage, 73 percent, support raising the amount of wages subject to Social Security, currently \$127,200, to cover all wages.

Ending the payroll tax, “would end Social Security as we now know it — as an ‘earned’ benefit that people pay for with taxes based on their wages,” Johnson says. “If Social Security were funded out of general revenues instead, the program would be more like welfare — subject to the annual appropriations process, and the funding or repeal whims of Congress,” she says.

The current Social Security system is like “longevity” insurance. Workers pay into the system through payroll tax withholdings up to the taxable limit on earnings. In return, retirees, and dependents on their account, receive monthly income when they claim benefits. According to projections by Johnson, an age - 66 retiree, who claims benefits in 2017 with an average benefit of \$1,300 a month, can expect to receive roughly \$540,000 over the course of a 25- year retirement, assuming a 2.2 percent annual cost-of-living adjustment (COLA).

“But all bets would be off if the current payroll tax system is eliminated, or changed to something else,” Johnson says. Getting rid of the payroll tax raises a great many questions as to how benefits would be calculated. Currently, retirement benefits are calculated on the 35 years of highest earnings. “Because wages tend to grow over

time, replacing the current system with something else could mean lower benefits,” Johnson points out.

Eliminating the payroll tax is estimated to put more money into the pockets of working people. But at today’s savings rates, that could leave even more Americans much worse prepared for retirement than they already are. “By far the biggest winners of this proposal would be the share - holders of the nation’s largest employers,” Johnson says. “Companies would pocket the 6.2 percent payroll tax they currently spend matching the 6.2 percent withheld from employees, making this one of the biggest corporate tax breaks in our nation’s history.” “This proposal is an insidious attack on the finances of all Social Security beneficiaries,” Johnson says.

TSCL is delivering a letter of protest to Congressional leaders outlining the tax provisions that older Americans support for strengthening Social Security. What do you think of this proposal? Take a poll at 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.