

CHAPTER 2

SOCIAL SECURITY

“Social Security reflects our deepest values -- our respect for our parents and our belief that all Americans deserve to retire with dignity.”
President Bill Clinton-- March 21, 1998



MAKE SOCIAL SECURITY
SOLVENT AND SECURE

Social Security and Medicare must be solvent in order to be available for those Americans who rely on it to support them through their “golden years.” As we know, Social Security may soon become unavailable because its obligations are greater than the current revenues, thereby causing a drain on the Social Security Trust Fund. Unless a responsible fix is made, Social Security will become insolvent by 2037, according to the U.S. Social Security Administration.⁴

All Americans who make less than \$118,000 per year pay Social Security tax on 100% of their income.⁵ Those Americans making more than \$118,000 per year do not pay any Social Security tax on income above this cutoff. Therefore, wealthy Americans only pay Social Security tax on a small portion of their incomes. And certain types of income are not even subject to the Social Security tax.

I propose that we remove the income ceiling on Social Security contributions thereby making all ordinary income subject to Social Security tax. This will insure Social Security solvency for a least 75

years, and prevent the Social Security trust from becoming exhausted. It would also allow us to enhance Social Security benefits and to expand its reach.

