

DeMint Introduces Bipartisan Bill to Inform Workers About Social Security

WASHINGTON - U.S. Congressman Jim DeMint (R-S.C.) introduced bipartisan legislation today to provide America's workers with more accurate information on Social Security. U.S. Congresswoman Karen McCarthy (D-Mo.) is an original cosponsor of the bill with DeMint.

"Most Americans know far too little about Social Security, and much of the information provided by the Social Security Administration does little to fully inform them," DeMint said. "Workers have a right to know about the system they will rely on in retirement. This legislation will provide American workers with complete and accurate information about the Social Security program and the benefits it will provide."

DeMint's legislation was introduced in the Senate today by Arizona Sen. John McCain and South Carolina Sen. Lindsey Graham.

By requiring the Social Security Administration (SSA) to provide more information in its "Your Social Security Statement," this legislation will ensure that Americans have the tools they need to responsibly plan for retirement. "This bill is a vital first step toward building awareness and consensus on how to confront the challenges facing Social Security," DeMint said.

In 1999, SSA began mailing new "Your Social Security Statement" to all non-retired workers over the age of 25. The statement includes an accounting of Social Security taxes the individual has paid to date, the worker's eligibility for benefits, and an estimate of the types of benefits the worker could receive under different circumstances.

This legislation would improve the "Your Social Security Statement" by requiring that SSA:

- Inform workers that, without reform, the taxes paid into the program may not be sufficient to fund all of their benefits in retirement, which is described in the annual Social Security Trustees' Report.
- Use information from the Office of Management and Budget to inform workers that the Social Security Trust Fund does not consist of real economic assets that can be drawn down in the future to fund benefits.
- Inform workers that they pay 6.2 percent of their wage earnings and their employers pay 6.2 percent on their behalf, for a total Social Security payroll tax of 12.4 percent.
- Use information from the General Accounting Office to illustrate and explain that while Social Security has performed well in the past, its average rate of return has fallen and is expected to decline in the future.