



Congress of the United States
House of Representatives
Washington, DC 20515

WASHINGTON OFFICE:
1024 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3001
WWW.DEUTCH.HOUSE.GOV

DISTRICT OFFICES:
2500 NORTH MILITARY TRAIL
BOCA RATON, FL 33431
(561) 988-6302

MARGATE CITY HALL
5790 MARGATE BLVD.
MARGATE, FL 33063
(954) 972-6454

TAMARAC CITY HALL
7525 NW 88TH AVENUE
TAMARAC, FL 33321
(954) 597-3990

Statement from Representative Theodore Deutch (FL-21)
on DEUTCH_011 amendment to H.R. 444

Mr. Chairman:

I am grateful for the opportunity to present an amendment to the Require a Plan Act. Like many of my colleagues, I object to this legislation. This nation does not need the Require a Plan Act. What we need is for Republicans to work with Democrats to avoid sequestration, save over a million jobs, and stop our economy from backsliding into recession.

Putting aside these objections, the amendment I bring forward today deals with a different concern.

I agree we need a healthy debate over our fiscal future. We need to have a conversation about our national priorities, spending, and revenues.

However, that conversation must be conducted openly and honestly. Unfortunately, this bill fails to pass that test, because it includes a subtle but sweeping and unprecedented attack on Social Security.

Under H.R. 444, Republicans are asking the President to submit to Congress a so-called “unified budget.”

No such thing as a “unified budget” exists. Yet with this simple phrase, my colleagues in the Majority seek to lump Social Security—which operates off budget, with its own independent revenue stream—into the general budget that Congress wrangles over each and every year.

By law, Social Security is forbidden from contributing to the deficit. Through the payroll tax, workers contribute to Social Security, and benefits are paid out to seniors, survivors, and disabled Americans. Social Security is not an item on the budget. It is social insurance that protects each and every American against absolute destitution due to the death of a breadwinner, a disabling accident, or simple old age.

Before Social Security, for the overwhelming majority of Americans, no matter how many decades you worked, there was only one retirement plan. It came with two options: move in with your children, who were struggling to feed their own

kids, or move into the poorhouse and live out the remainder of your years in destitution.

Today, Social Security lifts 20 million Americans out of poverty each year, and 65 percent of retirees rely on Social Security as their primary source of income. In total, 54 million Americans receive Social Security benefits today.

Social Security has faced political attacks since its inception. When Republicans charge that Social Security is a Ponzi scheme, or that it is bankrupting the federal government, they highlight the precise reason Social Security was created with an independent revenue stream off-budget in the first place.

To subject the benefits of disabled Americans and current and future retirees to the politically-charged shenanigans of this Congress would be to guarantee its destruction.

As President Franklin Roosevelt said, "We put those payroll contributions there so as to give the contributors a legal, moral, and political right to collect their pensions and unemployment benefits. With those taxes in there, no damn politician can ever scrap my social security program."

Yet that is exactly what this phrase, "unified budget," aims to accomplish. It aims to absolve Congress of responsibility of paying for the policies that drove us into the current federal budget deficit. Those policies include two wars that were never paid for, huge tax cuts for the wealthy that were never paid for, and government that condoned irresponsibility on Wall Street that sank our economy into a deep sea of red ink.

These are the sources of our federal deficit. Not Social Security.

For decades Social Security collected more in taxes than it paid out in benefits. The surplus has been held in reserve to fund the retirement benefits of the Baby Boomer generation. At \$2.7 trillion the Trust Fund is large enough to pay 100 percent of benefits through the mid-2030s.

After the Trust Fund is exhausted, without any reforms, Social Security would still be able to pay 75 percent of benefits for the next 75 years.

These projections make clear that the system is on sound financial footing, but that some small adjustments are needed to ensure Social Security is strong for future generations.

That means that we must follow the footsteps of President Reagan and House Speaker Tip O'Neill in order make commonsense reforms to Social Security that keep this program strong and solvent.

It's exactly what the American people want us to do, in fact. A recent study conducted by the nonpartisan National Academy of Social Insurance found that the majority of Americans from both parties—74 percent of Republicans and 88 percent of Democrats—agree that "it is critical to preserve Social Security even if it means increasing Social Security taxes paid by working Americans."

These beliefs, widely held by the American people, have guided my plan to strengthen Social Security. My proposal slowly phases out the cap on contributions for high-income earners so that we can close Social Security's long-range shortfall and actually increase benefits for all Americans.

My Republican colleagues may have different ideas about how to strengthen Social Security. While they often involve slashing hard-earned benefits, diverting Americans' contributions to Wall Street, and turning Social Security into a welfare program that serves only the poor, I believe we should have that debate; honestly and openly.

H.R. 444 is an attempt to avoid open and honest debate. The phrase "unified budget" is far from harmless.

As the Baby Boomers retire, the Trust Fund will be paid down to supplement the payroll taxes of American workers.

To put the Trust Fund on the national ledger right when the largest generation of Americans is about to retire would mean making Social Security a massive contributor to the deficit.

Looking back on history, this is not the first time we have seen this sort of accounting trickery. As the Trust Fund was built up, Social Security was taken into account for the federal budget to obscure deficit spending. Now the same dishonest accounting practices are being used for a different purpose; to make the exhaustion of the Trust Fund appear to generate massive deficits.

Rather than smoke and mirrors, we should boldly face these challenges. We should make pragmatic reforms that strengthen Social Security while maintaining the integrity of the safety net that protects our seniors and vulnerable Americans. My amendment merely articulates the law as it is currently stated in the Social Security Act. H.R. 444 should not be allowed to circumvent the Social Security law, and use suspect accounting methods to attack a program that protects so many Americans.

I urge adoption of this amendment.