

An Important Message About Social Security from Dan Lipinski

Dear Friends:

For the past sixty years, Social Security has been the only safe and secure source of income for countless retired and disabled workers and their families. Even today, nearly two-thirds of retirees count on Social Security for most of their retirement incomes. Social Security provides a guaranteed income for more than 47 million retirees, family members of deceased workers and people with disabilities, all of whom earned their benefits by paying into the system throughout their working years.

Recently, the Bush Administration proposed a plan to privatize Social Security. This means that they would divert some portion of Social Security payroll taxes into private accounts that would be invested and theoretically used for retirement. Also included in the President's proposal is a "progressive indexing" benefit formula, which would cut benefits for everyone who earned an average annual income of more than \$20,000 a year when working.

In fact, under the Administration's proposal, Social Security guaranteed benefits would be cut for all of the middle-class, even for those who do not choose a private account. For example, if you earned \$37,000 per year, you would have a 28 percent benefit cut; at \$58,000 per year you would have a 42 percent benefit cut and at \$90,000 per year you would have a 49 percent benefit cut.

Under this plan, for people who choose private accounts, the government would wipe out most of the value of that account, taking back 70 cents in retirement benefits for every \$1 in their account. And sadly, that's on top of the benefit cut. This privatization tax combined with progressive indexing benefit cuts would, over time, eliminate the guaranteed Social Security benefit for most people.

Unfortunately, some supporters of privatizing Social Security are trying to scare Americans into believing Social Security faces a crisis simply so they can sell privatization. Social Security in its current form is a sound system and, according to the Congressional Budget Office, can meet 100 percent of its obligations until 2052. Privatization would make the problem of solvency worse, not better.

Steps are needed to strengthen Social Security, but Congress needs to strengthen Social Security the right way, rather than slashing your guaranteed retirement benefits. Social Security has improved the lives of millions of Americans, and I am working hard to ensure that Social Security continues to do so for generations to come. I am committed to strengthening and improving, not raiding, this successful retirement program.

I will stand up against privatization and will continue to play a pivotal role when it comes to the needs of seniors in our community. Please feel free to contact my office if you have any concerns or questions regarding Social Security benefits or any other issue of interest.

Sincerely,

Dan Lipinski

Member of Congress

Third District - IL