

Congressional Republican leader introduces plan to slash Social Security

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13 December 2016

Republican Congressman Sam Johnson of Texas, chair of the Ways and Means Social Security subcommittee, introduced legislation last Thursday to significantly cut Social Security benefits. The bill would lower benefits for future retirees, add means testing and raise the retirement age from 67 to 69 for people who are now younger than 50.

Johnson's proposal, the Social Security Reform Act of 2016, would supposedly keep the Social Security trust fund solvent for 75 years. Under current projections, the fund will run short of money to pay full benefits by 2034, when a 21 percent across-the-board cut would be required to match revenue and expenses. Johnson proposes to bridge the prospective gap entirely with benefit cuts, without raising taxes on the wealthy by a penny.

According to an analysis by the actuarial office of the Social Security Administration, Johnson's plan would increase the funded status of Social Security by \$11.9 trillion. This would be accomplished by cutting income taxes on the Social Security benefits of affluent retirees by \$2 trillion, and slashing benefits by a total of \$13.9 trillion. Workers making around \$50,000 would see their future benefits cut between 11 percent and 35 percent. Only the very lowest income brackets would be spared cuts.

The plan would also end cost of living adjustments (COLA) for retirees making above \$85,000 a year. Over time, that means that the highest income retirees would see their benefits shrink dramatically, effectively turning Social Security into a means-tested program for the poorest sections of the population.

Predictably, the Republicans have sold their bill as a way of "saving" Social Security. In reality, it is part of a decades-long effort by both major parties to repeal what remains of the social welfare state in America.

President-elect Donald Trump, as part of his demagogic appeal to economic and social frustration under the Obama Administration, promised on the campaign trail to not privatize Social Security, unlike other Republican contenders. Last year Trump was quoted as saying, "Every Republican wants to do a big number on Social Security, they want to do it on Medicare, they want to do it on Medicaid. And we can't do that."

Now with the election over, Trump has cast aside his phony and insincere populism and filled his cabinet with billionaires and reactionaries. The cabinet appointments make clear that his administration will be the most right-wing in American history. Johnson's proposals for major cuts to Social Security signal the real direction of the incoming Republican Congress and the new Trump administration, which takes office next month.

While Johnson's changes would not affect those who retire before 2024, future retirees would absorb collectively at least a 19 percent reduction in their benefits. The Social Security Administration believes that about half of the lowest wage workers retiring after 2030 would see a cut in benefits, with some getting a cut of 50 percent of scheduled benefits.

The end of cost-of-living adjustments will also impact the poor most heavily. The percentage of people collecting 90 percent of their income from Social Security almost doubles between the ages of 65 and 80. The new proposal would change the inflation metric used to estimate benefits with to one that shows lower inflation, essentially reducing benefits.

Those who are 50 today will receive at age 65 a benefit that is only 74.8 percent of what today's 65-year-old receives from Social Security. If he or she lives to 95, they will receive 34.6 percent of what a

retiree earns now.

The plan will also lower the benefits of caregivers who take time off from paid work to look after children, elderly parents, spouses and others. Johnson's plan will also cut benefits from the spouses and children of disabled workers.

The last time there was a similar overhaul of Social Security was in 1983 when Republican President Ronald Reagan signed a bipartisan deal with Democratic House Speaker Tip O'Neill. As a result, Social Security taxes were increased, the benefit formula was changed, a portion of benefits were subject to federal income taxes, and the retirement age was increased from 65 to 67 over the next 25 years.

While the gutting of Social Security has been justified on the basis of rising life expectancy in the United States over the past half century, the truth is that workers are not living longer anymore. The Center for Disease Control and Prevention released a new report that life expectancy between 2014 and 2015 declined, for the first time in over 20 years.

Another disturbing report confirmed that only the lives of the rich have lengthened over the same period. A study published by the *Journal of the American Medical Association* found that life expectancy of the richest 1 percent of men and the poorest 1 percent differed by 15 years, and for women by 10 years.

Social Security and other programs like Medicare and Medicaid have been largely responsible for improving and lengthening the lives of countless workers and their families. With a Trump administration, these programs will now be attacked with renewed force. Already Trump has named Representative Tom Price of Georgia, a longtime opponent of Medicare and Medicaid, to head the Department of Health and Human Services.

While Johnson's proposals are not being discussed in the corporate media, the Democrats have feigned a populist opposition to the plans. Senator Chuck Schumer of New York and bagman for Wall Street warned that the Republicans were "gearing up for a war on seniors." Senator Bernie Sanders declared, "We are not going to allow the billionaire class or Trump or anybody else to cut the programs that the elderly, the disabled and disabled vets absolutely depend upon."

The Democratic politicians who claim to be opposed to privatizing Social Security now peddle illusions that

Trump will keep his campaign promise and "do the right thing." Even if Johnson's proposals are not entirely carried through the stage will be set for the ultimate dismantling of Social Security and other government run programs that millions of workers survive upon.



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