

Jeff Bezos' Washington Post proposes raising the retirement age Social Security and Medicare trustees' reports trigger new calls to cut workers' benefits

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8 May 2024

The annual reports for 2024 released Monday by the trustees of the Social Security and Medicare Trust Funds have become the signal for renewed demands for cuts in retirement and healthcare benefits on which tens of millions of Americans depend.

The trustees projected that the reserves backing the programs, which provide income for retirees and cover hospital and medical expenses for the elderly, will be depleted by 2033 and 2036, respectively. This will mean an immediate cut of 21 percent in benefits provided by the Old-Age and Survivors Insurance (OASI) Trust Fund, which covers some 70 million Americans, and a shortfall of 11 percent in hospital coverage for 66 million Medicare recipients.

Both programs are funded by trust funds whose income comes from payroll taxes that are not dependent on the annual congressional budget process. While current payroll taxes would keep the programs running, the long-running deficit of revenues compared to mandated benefits could no longer be offset by dipping into previously compiled reserves.

Monday's reports are in line with actuarial warnings going back decades showing long-term erosion and eventual insolvency of these massive programs, which remain the core of the very limited social welfare system in capitalist America.

Both Social Security and Medicare could, from a financial standpoint, be made whole simply by raising the cap on income subject to payroll taxes from the current level of \$168,600, which targets working class and middle class people, to a figure high enough to seriously impact the vast sums pocketed by the rich and

the super-rich.

This would more than offset demographic changes in the US population—a shrinking workforce, a higher proportion of elderly and retired people—who live longer than their forebears in the 1930s when Social Security was enacted and the 1960s when Medicare was launched—and consequently fewer people paying taxes to support a growing population of beneficiaries.

The impossibility of “fixing” the problem is due to the completely oligarchic character of American society. It is a de facto dictatorship exercised by billionaires and the gargantuan aggregates of capital they control, through the mechanism of two parties that do their bidding.

One example is the editorial posted Monday by the *Washington Post*, owned by Amazon founder Jeff Bezos (net worth, \$202.6 billion), berating both the Democrats and Republicans for failing to address the funding crisis of Social Security and Medicare. While the column (“The crisis Biden and Trump don't want to deal with”) supports raising the payroll tax cap beyond the current level, it does so in order to call for increasing the Social Security retirement age and “slowing benefit growth” for “the top half of earners”—a category that would include masses of working and middle class people.

Along similar lines, the Bipartisan Policy Center chided the politicians for their unwillingness to propose “serious reforms” and make the “difficult choices” required to “save” the programs.

In other words, the working class must be made to pay for the crisis of Social Security and Medicare

fueled by the refusal of the oligarchs to pay more than a pittance, if that, in taxes.

It is necessary to crack the whip all the harder under conditions where Biden and his Republican “colleagues” have just passed a record military budget of nearly \$1 trillion and approved a \$95 billion supplementary military request to fund the escalating war with Russia over Ukraine, funnel more arms to the fascist Israeli regime as it carries out genocide in Gaza, launch a war against Iran and prepare for all-out war against China, bringing the world to the brink of nuclear annihilation.

Already, homelessness and food insecurity among retirees in the US are at record levels, and life expectancy is declining.

The latter is, for the ruling class, a positive. The Bipartisan Policy Center may have let the cat out of the bag when it wrote, following the release of the Social Security and Medicare reports:

This many Americans entering retirement is only part of the problem. Compounding the stress on Social Security’s finances is how long those retirees are living.

Providing adequate income and healthcare for the entire population in America, the richest country in the world, and, indeed in all countries, is a revolutionary question. Just last Friday, the *New York Times* published a column by the noted economist Gabriel Zucman, who wrote:

In the 1960s, the 400 richest Americans paid more than half of their income in taxes. Higher tax rates for the wealthy kept inequality in check and helped fund the creation of social safety nets like Medicare, Medicaid and food stamps.

Today, the superrich control a greater share of America’s wealth than during the Gilded Age of the Carnegies and Rockefellers. That’s partly because taxes on the wealthy have cratered. In 2018, America’s top billionaires paid just 23 percent of their income in taxes.

For the first time in the history of the United States, billionaires had a lower effective tax rate than working-class Americans.

This state of affairs can be changed only by the revolutionary mobilization of the working class on the basis of a socialist program.



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