



September 10, 2012

## Voter Guide 2012 Fact Sheet: Social Security

### What is Social Security?

- The Social Security program provides cash benefits to retirees, the disabled, as well as spouses and dependents of deceased workers.

### Key Facts

- **Funding:** Social Security is an earned-benefit program – it’s funded with a special payroll tax that comes directly out of your paycheck.
- **Payroll-Tax Holiday:** Lawmakers temporarily reduced the rate workers pay into Social Security through the end of 2012. **When candidates for office say Social Security “contributes to the deficit,” note that’s *only* because of the payroll-tax holiday.**<sup>i</sup>
- **Long-Term Outlook:** Social Security is not “bankrupt.” It does not face an urgent crisis. With no changes at all, it can pay all scheduled benefits through 2033, after which it can pay roughly 75 percent of scheduled benefits through 2086.<sup>ii</sup>
- **Promising Proposals:** A couple administrative changes would extend Social Security’s full financial solvency well past 2033. Lawmakers can adjust retirement benefits so wealthy retirees receive smaller cash payments.<sup>iii</sup> And lawmakers can raise or eliminate what’s called the “taxable maximum.” Currently workers pay Social Security taxes up to a maximum level of \$110,100 in wage income, but lawmakers can lift that maximum to raise additional revenue for the program.<sup>iv</sup>

### What Americans Say:

*“I worked two jobs at once most of my life and now I live on a Social Security check.”  
-Adele (Greenfield, Mass.)*

### What the Presidential Candidates Say:

“Social Security is not in immediate crisis. It’s not the driver of our deficits.... We can easily tweak the Social Security program while protecting current beneficiaries, ensuring that it’s there for future generations. There are ways that involve, for example, slightly raising the [taxable maximum]. I think it’s a pretty sensible thing to do.”

– Barack Obama, May 2012<sup>v</sup>

“What I would do with Social Security is that I would lower ... the rate of inflation growth in the benefits received by higher-income recipients and keep the rate as it is now ... for lower-income recipients. And I’d also add a year or two to the retirement age under Social Security. That balances Social Security.”

– Mitt Romney, January 2012<sup>vi</sup>

### What to Ask Your Congressional Candidates *(question courtesy of the Concord Coalition):*

Do you believe Social Security reform is necessary and, if so, what changes would you support?

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<sup>i</sup> [Social Security Trustees Report](#) 2012, page 2.

<sup>ii</sup> [Social Security Trustees Report](#) 2012, pages 10-11.

<sup>iii</sup> National Commission on Fiscal Responsibility and Reform, [final report](#), December 2010, page 49.

<sup>iv</sup> Congressional Budget Office, "[Reducing the Deficit: Spending and Revenue Options](#)," March 2011, page 169.

<sup>v</sup> [Interview](#) with AARP, May 2012.

<sup>vi</sup> Republican Presidential Primary [Debate](#), January 16, 2012.