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## Democrats' plan won't save Social Security, Congress budgeters say



Sen. Sherrod Brown

By **Jack Torry**

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WASHINGTON — A fresh nonpartisan report casts doubt on a plan backed by Sen. Sherrod Brown that is designed to both preserve Social Security and expand its benefits for some by raising payroll taxes on the wealthy.

The report by the Congressional Budget Office concludes that to make the Social Security system solvent for the next 75 years, payroll taxes would have to be raised on all working Americans who pay Social Security taxes.

The findings appear to dampen hopes among Senate Democrats who want to increase monthly benefits by \$70 for many Social Security beneficiaries while requiring higher payroll taxes on wealthier people.

Workers pay Social Security taxes on the first \$117,000 of their annual pay. But the report concludes that even if workers were required to pay payroll taxes on income as high as \$241,600 a year, it would not be enough to eliminate the projected shortfall in the Social Security trust fund.

The report concludes that even by taxing the first \$241,600 a year in pay, Congress would have to raise payroll taxes by as much as 2 percent on people earning \$50,000 a year.

Meghan DUBYAK, a Brown spokeswoman, said that Brown's plan is designed to keep Social Security solvent through 2049. By contrast, she noted that the CBO was calculating what Congress would need to do to keep the system solvent for the next 75 years.

Brown's "approach has the overwhelming support of the American people, especially when compared to alternatives like cutting benefits or raising the retirement age further," DUBYAK said.

Last week in a speech in Washington, Brown said, "Debate over Social Security should not be about raising the retirement age or limiting benefits. The debate over Social Security should be about retirement security."

The CBO report makes clear that without changes by Congress and the White House, the Social Security trust fund will be exhausted by 2033. According to the CBO report, the Social Security Administration "would no longer have legal authority to pay full benefits when they are due."

Under current law, working people pay 6.2 percent of their wages into Social Security, and their employers match that. The CBO concluded that to make the system solvent without requiring people to pay payroll taxes on income greater than \$117,000, a worker earning \$50,000 a year would face an additional \$900 a year in payroll taxes.

Sen. Rob PORTMAN, R-Ohio, has urged that Congress modernize Social Security, Medicare and Medicaid.

Last month at the National Press Club in Washington, Portman called on lawmakers to adopt President Barack Obama's 2013 plan to change the formula used to calculate the cost-of-living increase for Social Security. That would reduce the rate of growth in monthly payments to recipients.

Obama's plan was opposed by many congressional Democrats, and he dropped the idea from his budget plan this year.

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Promising people more benefits at no cost isn't new, especially in an election year. But a Democrat-backed plan that purports to expand Social Security payments at no additional cost to most Americans simply isn't realistic, a fact backed up by a Congressional Budget Office report last week that also provided a sobering reminder of the need to get serious about entitlement reform overall.

Senate Democrats, including Ohio's Sherrod Brown, recently backed a plan that they said would preserve Social Security and expand benefits for many. They said the increase would be paid for by raising payroll taxes on those making more than \$117,000 per year, the current threshold above which Social Security taxes aren't levied.

Unfortunately, the CBO found that the math doesn't add up. The nonpartisan research arm of Congress said that to simply keep Social Security solvent for the next 75 years, payroll taxes would need to be raised on all working Americans.

A spokeswoman said that the Democrats' plan "has the overwhelming support of the American people, especially when compared to alternatives like cutting benefits or raising the retirement age further." But that is the problem: People say they're worried about the nation's \$17.5 trillion debt, but they also don't want to make the adjustments that will be necessary if we are to avoid fiscal disaster. Things such as raising the future retirement age slightly and adopting a different way of calculating cost-of-living increases, known as chained CPI (consumer price index), are two reasonable alternatives.

President Barack Obama was open to chained CPI in 2013, but removed it from his budget this year under political pressure. Lawmakers in both parties know the reality that entitlement reform will require some sacrifice, but most seem to lack the political will, out of fear of voter backlash, to face that head-on.

The Concord Coalition, a 22-year-old nonpartisan group promoting fiscal responsibility, got it right in its assessment to the CBO report. "CBO's long-term budget outlook shows there are no gimmicks to get around demographics," the organization said in a statement following the report's release. Concord Executive Director Robert L. Bixby called the CBO report "an invaluable reminder that elected officials in both parties must spend less time cooking up budget gimmicks and more time working together to figure out how to put the nation on a more responsible and sustainable path."

The same is true of all entitlements. Last month, Ohio Sen. Rob Portman, a Republican, reminded people that such nondiscretionary spending programs as Medicare, Medicaid and Social Security make up two-thirds of the federal budget, and that will climb to three-fourths within 10 years, to the point where it will consume 100 percent of U.S. tax revenues. That would mean an ever-deeper debt hole, weakened economic growth and spending diverted from other vital areas such as education and infrastructure.

This is no time for small tweaks or gimmicks that promise people what they'd like to hear: that there is an endless stream of money available to pay out more and more benefits. People should be able to count on vital benefits being there when they need them, but there simply is no free lunch — and that is a commonsense, bipartisan issue.

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