

Ways and Means Social Security Subcommittee Hearing
“Save Our Social Security Now”
September 24, 2020

Witness Testimony of William P. Goodwin
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Chairman Larson and Ranking Member Reed, thank you for holding this hearing and providing me the opportunity to represent the voices of our more than 700,000 VoteVets supporters -- veterans, military families, and others -- from all fifty states. They represent just one of the communities with a clear stake in this discussion. And yes, they need economic relief as we grapple with COVID-19. But President Trump’s payroll tax deferral is the wrong answer to active duty military personnel and their families, and to veterans who are serving in the federal workforce. And it’s a wrong answer that will yield grossly irresponsible consequences for the more than 9 million veterans who have earned and now receive their Social Security.

For years now, the highest levels of the U.S. military have told Congress and the public that financial literacy among service members -- understanding and managing their personal finances -- is a challenge, and a matter of military readiness and national security. And it’s exponentially complicated by the reality that our troops are relentlessly targeted by payday lenders and for-profit colleges. Forcing this payroll tax decision on that same U.S. military will do real harm—and does not allow time for the deliberate policy and planning practices that help to educate and mitigate the impact of a decision like this on the rank and file. There will be service members who see extra money in their bank accounts, but do not understand they will see less in their accounts come January. The advice from military publications and outside groups has been “don’t spend the money, just hold it.” The Sergeant Major of the Army himself tweeted: “Be prepared to repay your payroll tax deferral...Check your LES this month and set the "extra" money aside!” That’s not real relief. And it’s certainly not how the greatest military on earth should be forced to educate its personnel.

There are military families who will need money to meet their obligations in the immediate future -- families in which civilian spouses have lost jobs during the pandemic and like millions of others, are adjusting to a new economic reality. These families own homes, have student debt, and must make car payments. And if they use this payroll tax deferral to survive these next few months -- instead of receiving real unemployment relief -- they will be forced to foot the bill come January, even if that means having to take on additional debt from vicious predatory lenders.

We know from reporting that in the corporate world, where employers have the decision to exercise this payroll tax deferral, many are choosing not to do so because it's not right for them or their employees. But when it comes to our Armed Forces, the military service chiefs and leaders down the chain of command will not have that same freedom to make decisions based on the best interest of the Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen under their command.

I should note this policy is also not optional for the hundreds of thousands of veterans who continue to serve their country as federal employees -- comprising 31.1% of the entire federal workforce.

And finally, as others have discussed in great depth, if payroll taxes are not collected, then this move will serve to defund Social Security. Forgiving these dollars now, at the expense of Social Security, is not a valid response to the concerns I've raised today. President Trump has stated publicly numerous times that he plans to eliminate payroll taxes, the dedicated funding source for Social Security, altogether if he is elected to a second term. This most recent action is the first step in an effort to defund, dismantle and destroy Social Security -- and it's an affront to veterans and their families.

The importance of Social Security to veterans should come as no surprise to this subcommittee. In 2019, over 9 million Social Security beneficiaries were veterans—19 percent of all adult beneficiaries. And for almost half of veteran beneficiaries receiving Disability Insurance in 2010, Social Security benefits

represented three quarters or more of their income. Without Social Security, 43 percent of veterans receiving SSDI would have fallen below the poverty line.

A policy that defunds Social Security is pitting those still in uniform and veterans in the federal workforce against the heroes who came before them. Somewhere, a young military family navigating this economic crisis will receive a minimal change in their paycheck. If Congress doesn't pass legislation, they will be forced to turn to payday lenders to make up for those dollars come January. And if Congress does, those families will be receiving dollars at the expense of their heroes -- brave men and women who served decades before them -- on the same bases here at home, and in dangerous places around the world -- and yes, who have earned their Social Security and ability to live their retirement with dignity.

VoteVets strongly supports Chairman Larson's bills to overturn the President's actions -- H.R. 8171 and H.J.Res. 94. We ask all Members of Congress to cosponsor the Chairman's legislation, and for the House to bring them to a vote. Veterans weathering this pandemic -- and the military personnel and families who have seen their budgets rocked by the same -- need real economic relief and they need it now. They need the bold, immediate relief passed in the HEROES Act 132 days ago. Thank you.