

## **A Response to Internet Myths about Social Security**

*Which party started taxing Social Security benefits?*

For the first 40-plus years of the program, Social Security benefits were not considered taxable income. This was the result of a series of administrative rulings issued by the Treasury Department in the early years of the program.

In 1983, under the leadership of President Reagan, benefits were made part of taxable income for higher-income beneficiaries. This was a bipartisan change included in a larger package of changes designed to address an urgent financial crisis in Social Security. The proposal to subject benefits to income taxation came from the Greenspan Commission appointed by President Reagan and chaired by Alan Greenspan, who is presently serving as Chairman of the Federal Reserve. This was one of many sacrifices made by workers and beneficiaries to restore the program to long-term health. Republican Senator Dole, then the chair of the Senate Finance Committee, introduced the Senate bill which included this change.

*Which party decided to give “SSI Social Security payments” to immigrants, “even though they never paid a dime into it”?*

The question confuses the Supplemental Security Income (SSI) program with Social Security.

With respect to Social Security, benefits are only paid when someone has contributed to the Social Security system. Immigrants who work and live in the U.S. must pay Social Security taxes on their earnings. When they retire, they are entitled to receive benefits on the basis of those earnings just like all other workers. If they have not worked and paid taxes, they do not receive Social Security benefits.

SSI is separate from Social Security, although both are administered by the Social Security Administration. SSI is a welfare program that does not require recipients to have contributed. SSI provides a minimum income (below poverty) to very low-income seniors and persons with severe disabilities. The legislation creating SSI was passed in 1972 and signed into law by President Richard Nixon. When the program began in 1974, under the Ford Administration, immigrants were eligible to receive SSI benefits. The 1996 welfare reform law barred most immigrants from receiving SSI. This ban was eased slightly in 1997 and 1998, under the leadership of a Republican-controlled House and Senate, to permit some legal immigrants, in limited circumstances, to receive SSI benefits.

***A better question to ask is, which party has a record of supporting Social Security and Medicare, and which party has consistently opposed their creation and expansion?***

When the Social Security Act was debated and enacted in 1935, Republicans voted to delete retirement benefits from the bill.

When Social Security disability benefits were first proposed in the House, they passed over

Republican opposition. In 1956, when disability insurance benefits were finally added to the program, 38 out of 44 Senate Republicans voted against the amendment that included them in the Act.

When Medicare was created in 1965, every Republican on the Ways and Means Committee voted against reporting out the bill. On the floor, the bill passed the House over Republican objections. When the bill came to the Senate, a majority of Republicans voted against it on final passage.

In 1986, Senate Republicans passed a budget resolution to freeze the Social Security COLA. Then-Vice President George H.W. Bush cast the tie-breaking vote.

Later in 1986, Senate Republican leaders expressed their desire to subject Social Security to cuts in order to balance the rest of the federal budget. These two votes helped to return Democrats to the majority in the Senate 1987.

President Bush campaigned on a promise to privatize Social Security, which would drain trillions of dollars from the Social Security Trust Funds in order to pay for the private accounts. He formed a commission charged with developing a plan to do so, and its leading plan would reduce future Social Security benefits by 46 percent, slash disability and survivor benefits, and drain \$1.8 trillion from the Social Security Trust Funds in just the next 10 years.

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