

LATEST REPUBLICAN PRIVATIZATION PLAN OFFERS MORE OF THE SAME

This Latest Republican Proposal is Still Privatization, Pure and Simple

- Like the Bush privatization plan, the Republican proposal would divert payroll contributions to create private accounts.
- The only difference is cosmetic – one approach would create risky private accounts directly from a worker's paycheck, and the other would finance risky private accounts from Social Security payroll taxes when they reached the federal Treasury.
- The Republican plan would still cut guaranteed benefits. By taking money away from Social Security, the plan would force deep benefit cuts for everyone. And, just like the Bush plan, it includes a privatization tax that would cut benefits even more for people who open an account.
- It explodes the national debt, raising it by \$1.1 trillion in just 10 years.

Weakens Social Security, Uses Gimmicks to Hide the Damage

- It funds private accounts using money already earmarked to pay the baby boomers' Social Security benefits.
- Plan does nothing to address the real issue facing Social Security – solvency.
- It demonstrates Republicans' overarching commitment to private accounts. Private accounts are the real goal, not solvency.
- Shell-game gimmicks are used to cover up the true cost.

Doesn't Stop the Republican Raid on Social Security

- Under this proposal, Congress can continue to spend the Social Security surplus for other purposes. Ways and Means Social Security Subcommittee Chairman McCrery has admitted that the cash will be used the same way it is now.
- The general fund would continue to spend the cash from the Social Security surplus. The only difference from current law is that the bonds issued under the Republican plan would sit in private accounts.
- Republicans have raided Social Security and nothing in their plan will stop this in the future. They have raided \$670 billion so far, and will raid another \$2.6 trillion over the next decade.

Democrats Want a Bipartisan Solution to Strengthen Social Security

- We stand ready to begin bipartisan discussions on protecting Social Security solvency, but this cannot begin until Republicans drop their partisan demand for private accounts.
- The Republican plan moves us in the wrong direction by enacting private accounts rather than ensuring that American workers receive the benefits they have earned.

