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WASHINGTON, DC –Today, the Center for Economic and Policy Research (CEPR) released a report supporting legislation introduced by Rep. Peter DeFazio (D-OR) that would protect the Social Security Trust Fund for at least 75 years. DeFazio’s bill H.R. 797 preserves the Social Security Trust Fund by closing a tax loophole so millionaires would pay the same percentage of their salaries to Social Security as the average American worker.

Under current law, individuals earning over a million dollars only pay a Social Security tax on one-tenth of their salary. CEPR’s report evaluated how DeFazio’s bill would affect working Americans and found that it would only apply to 1.4% of all working Americans.

“CEPR’s report proves that you can protect Social Security for our children and grandchildren by simply closing a tax loophole for people making \$250,000 or more,” said DeFazio. “We know that Social Security faces future challenges and the Republican majority has threatened it further with talk of privatization or benefit cuts. We do not have to cut and we do not have to end a system Americans have paid into their entire lives. My bill is a common sense, long term solution. It’s a small price to pay for the security of our future seniors.”

H.R. 797, the No Loopholes in Social Security Taxes Act Background

This legislation will guarantee Social Security remains solvent for at least 75 years. Currently, 94% of Americans pay the Social Security tax on all of their income. The bill subjects all income over \$250,000 to the 6.2% Social Security tax rate, making sure that every American pays their fair share.

As a presidential candidate President Obama stated, with regard to Social Security, “the best way forward is to first look to adjust the cap on the payroll tax... that way we can protect the

promise of Social Security without shifting the burden onto seniors.” Obama’s idea for adjustment was to finally apply Social Security payroll taxes to all income above \$250,000.

You can read the CEPR report here: [http://www.cepr.net/documents/publications/ss-2012-05.p
df](http://www.cepr.net/documents/publications/ss-2012-05.pdf)

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