

# PROTECT SOCIAL SECURITY

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Social Security is a fully guaranteed insurance system that benefits senior citizens and for some, it is their only source of income. Social Security provides essential benefits to millions of Americans, disabled workers, wives, widows, retired workers, and children. The AARP is supporting a plan that would increase the income cap on Social Security to solve problems regarding future solvency and longevity.

In 2005, a group of citizens gathered thousands of signatures on a petition to stop the privatization of Social Security by the Bush Administration. This ongoing petition drive moved across California and then signed petitions began to arrive from citizens in almost every state. This petition was carried across the United States by long-haul truckers, by fax and telephone, the mail, and the Internet. These petitions were delivered to Senators Obama (just prior to his election as President), Feinstein, and Boxer, and U.S. Congressman Mike Thompson (who introduced nearly 10,000 petition signature into the record and spoke eloquently on the floor of the U.S. House of Representatives against the privatization of Social Security in 2005).

Citizens across the United States are once again joining together to emphatically protest the privatization of Social Security. We strongly feel that there should be no negotiations on any form of privatization or Social Security funds going to support private accounts. Citizens have made it clear that they "...oppose the privatization of Social Security and support raising the Social Security income cap to adequately address all problems of solvency and longevity."

The Obama Administration is considering private accounts, reducing Social Security benefits, and may be persuaded to privatize Social Security, stating that this costly program should be changed because it will bankrupt the nation. (We believe that the Iraq / Afghanistan Wars bankrupted, and continue to bankrupt, our nation. In addition our elected officials have taken no action to pay for this war except by credit card borrowing from other countries while paying the high interest rates that these countries charge for covering our debt. Obama's Pakistan war and the escalation in Afghanistan, while remaining in Iraq, will increase U.S. debt even more in the coming years.)

We, the people, are once signing petitions and requesting that all elected officials oppose all attempts to privatize Social Security and not negotiate a compromise on this issue. With Wall Street ponzi schemes depleting retirement accounts (moving wealth to the rich in this country), and job losses escalating, it is time to protect the only safety net for seniors in this country. Senior citizens, who do not want to return to the days before Social Security, have banded together once again to protect our children from risky private accounts or stock market investment schemes that will weaken, and ultimately destroy Social Security.

James Smith, from the American Association of Retired Persons (AARP), has reiterated that Social Security, with no changes, is ..."projected to deliver full guaranteed benefits until at least 2042...and is one of the most successful "...intergenerational programs in American history..."

We hope that the following statement by California U.S. Congressman Mike Thompson, in a standing room only, meeting on Social Security in Lake County on March 5<sup>th</sup> 2005, continues to be the Congressman's position on this issue in 2009: "...without this program more than 50 percent of our nation's seniors would be living in poverty... Funding Social Security reform with (privatization) debts makes Social Security more insolvent, not less..."

The privatization, or a turn to private accounts, would severely undermine our Social Security system and will have the effect of reducing benefits for all recipients. We need to ask our children if they are prepared to take over the financial responsibility for directly supporting their parents and grandparents when Social Security is no longer a viable or a severely reduced insurance program. And this is becoming more and more of a reality as corporations are dumping their pension plans, offering employee small monetary "buyouts", cutting health benefit options or not offering any pension plans to their employees.

Many corporations are filing bankruptcy in order to opt out of pension plans or have not invested employee pension plans properly but invested in risky market schemes like unregulated HEDGE Funds and derivative schemes that have been failing due to lack of Congressional, public, and SEC oversight (April 2007 NOW program on PBS-note that the State of California is heavily invested in these risky HEDGE Funds and in 2009, and is continuing to suffer economic losses). Many states and other government agencies are also investing in risky market schemes which may cause a loss of retirement income and our tax dollars being used to bailout wall street, banks, and insurance companies that defrauded the public in the first place.

In addition, corporations are also using part-time workers instead of full-time workers in order to avoid paying for pension plans and other benefits. And the practice of hiring short-term consultants is also on the increase because employers can contract with workers and not have to pay pensions or any other type of benefit. What happens when these workers reach retirement age? Will they have saved enough from part-time work and contract work to support themselves later in life – especially when savings account interest rates are so low and 401K and other retirement plans are being undermined?

When you include the outsourcing of so many American jobs to low wage workers in sweatshops in other countries, this leaves many Americans unemployed or left in low wage situations where employers do not provide pensions, medical insurance, and other benefits for them later in life. And when corporations are allowed to hire and pay low wages to illegal immigrants and other aliens, to replace American workers, it lowers the wage for all working American citizens, if they can find employment.

There is the uncomfortable lie, now being promoted by our elected officials and corporations, that Americans who have lost their jobs can now be re-educated and re-trained by going back to college in order to find a high-paying job somewhere. How many of those high paying jobs are there and where are they located? How will our elected officials protect our pensions and our jobs? Many Americans are one or two paychecks away from disaster that could be caused by loss of a pension, unemployment, or illness in the family.

There are many issues that need to be addressed. First, many of us who have lost our jobs are well educated and many of us have college degrees. Second, many who don't have college degrees, resent the fact that we are being told that we can't learn and don't have the skills to perform at a high work level. Third, we were performing our jobs well when they were eliminated, given to illegal aliens that American corporations could hire for less or outsourced to increase profits. Many Americans even were told to train their replacements prior to be fired. Why are corporations being financially rewarded for outsourcing our jobs? This is no guarantee that any of us will find a new job that will pay as well as the one outsourced even if we go back to college.

Recent statistics are beginning to show this trend. We are the best and the brightest of our generation, we are hard working, and we resent the fact that those in power feel that we need retraining and education when many of us who lost our jobs are well educated and good workers. And if hardworking, taxpaying Americans have their jobs eliminated who will pay the taxes on our ever-increasing war debt?

Many American are not aware of another additional threat to the financial stability of our Social Security System. In the January 21, 2005, CRS Report for Congress on Social Security Benefits for Non-citizens under "Current Policy & Legislation" there is a section on Totalization Agreements. Illegal and "...alien workers and alien dependents/survivors may receive payments while living outside the United States if they are a citizen or resident of a country with which the United States has a totalization agreement...Totalization agreements are subject to Congressional review..." It should be noted that the U.S. Congress has abdicated this responsibility because they do not want the American citizens to know about this policy or that the U.S. currently has Totalization Agreements with twenty-three other countries.

On June 29, 2004, the Social Security Administration announced that a totalization agreement with Mexico had been signed by the U.S. and Mexican government officials. The Social Security Administration reports "...that the projected cost to the U.S. Social Security System would average \$105 Million annually over the first five years...The public has not been informed about the exact wording of this totalization agreement with Mexico and whether or not it has been transmitted to Congress for review or otherwise made publicly available...Section 233(e)(2) of the Social Security Act specifies that a totalization agreement automatically

goes into effect unless the House of Representatives or the Senate adopts a resolution of disapproval within 60 session days of the agreement's transmittal to Congress..."

Since this agreement with Mexico does not have national security implications why is the Obama administration keeping this document (exact wording) with Mexico and other totalization agreements secret? Is it because these agreements are another way to fleece American taxpayers?

"The January 21, 2005, CRS Report goes on to state that there were approximately 4.2 million Mexican non-citizens (illegal aliens), in the United States in 2002. "The effects of the totalization agreement with Mexico...unless otherwise specified in the agreement...would waive the five-year U.S. residency requirement for alien dependents and survivors to receive benefits outside the United States...Generally, a totalization agreement with Mexico would allow alien dependents and survivors in Mexico who have never lived in the United States to receive Social Security benefits outside the United States..." According to this report "...The totalization agreement with Mexico may be used as a de facto way to legalize unauthorized (illegal) aliens...others express concerns that that a totalization agreement with Mexico could provide an incentive for unauthorized workers from Mexico to come to the United States..." The cost of this program could undermine the U.S. Social Security system by bankrupting this program.

The U.S. Senate and Members of the House of Representatives are silent on this issue and are not currently working toward legislation that would prevent this potential threat to our Social Security System and cost the taxpayers more in the long term. In recent years more and more totalization agreements are being signed with other foreign countries as well (23 now authorized). The "...GAO also notes that because such agreements represent a cost to the U.S. Social Security System, associated risks should be assessed..."

"In addition, the GAO found that a totalization agreement with Mexico would increase the number of Mexican workers and their family members eligible for Social Security benefits for two reasons. First, Mexican workers who otherwise would not have enough earnings credits to qualify for benefits in the United States could combine Mexican and U.S. credits to qualify for a partial U.S. Social Security Benefit. Second, more family members in Mexico would qualify for U.S. Social Security benefits because a totalization agreement generally exempts dependents and survivors residing outside the United States from the five-year U.S. residency requirements..."

We have no idea exactly how many illegal aliens reside in the United States there is no way to calculate the total cost that a Totalization agreement with Mexico, and the many other countries that do have these agreements with the United States, might have on our Social Security System. We encourage our elected representatives to reject this totalization agreement with Mexico in order to preserve the financial integrity of our Social Security System.

Julia Norton, noted that: "...any partial privatization plan represents a threat to the economic security of women (all citizens) by replacing a portion of a secure benefit with risky stock market investments..." One Senior Citizen, Ava Peterson, noted, **"...that privatization takes everyone out of our community Social Security insurance pool, where everyone shares the risk, and puts each of us in our own pool, of one, to fend for ourselves. That's only okay if you're rich!"**

James Smith, from AARP, also noted that: "...Social Security provides a guaranteed income, paying benefits every month for life, with increases for inflation, and has a much higher average rate of return than any mix of financial assets in private accounts..." He also noted: "...any risk through privatization must be taken into account, because investments in the stock market are never guaranteed...We cannot undermine the Social Security "safety net" for millions of Americans..." now or in the future.

It is time to start asking these questions of those that are in public office and those that are now running again for elected office. We need specifics about their plans not just the general statements that are spoon fed to us as slogans while they ask for our vote. Ask your elected officials to sign a petition, or make a pledge, and see exactly where they stand on these issues. **Since raising the income cap will ensure longevity and solvency in the future there is no reason to privatize or make any other changes in our Social Security program.**

Why change the character of a working benefit insurance, Social Security, if it doesn't fix the problem of solvency? In fact, privatization would increase the public debt as much as two trillion dollars according to some estimates. The very same young people, former President Bush, and now President Obama is trying to persuade to support private accounts, our children and grandchildren, are the very ones who would be saddled with this huge debt and left to fend for themselves under this risky plan while trying to support their parents and grandparents who have lost their pensions and had their Social Security benefits sharply reduced.

Why are we placing this future burden on our children? Why not raise the \$90,000 income cap instead? A small change that would augment Social Security and extend its longevity well into the future. And why not stop our government from stealing Social Security funds to pay for Obama's continuing war in Iraq, the escalation of war in Afghanistan, and his new war on Pakistan? The money all workers put into this fund should be in safe savings accounts where the interest will be used to benefit all the people in the future who depend on Social Security. Let us all begin to ask questions on this important issue to those who want to represent us in the future.

**Whereas, Social Security is a United States Government fully guaranteed insurance benefit;**

**Whereas, Social Security is an insurance supplement to private pension plans;**

**Whereas, Social Security is a survivor benefit for spouses and minor children;**

**Whereas, Social Security is the only source of income for many senior citizens;**

**Whereas, Social Security is a disability benefit;**

**Whereas, privatization, or any type of private accounts, will not increase the longevity of Social Security;**

**Whereas, personal investments in a Social Security privatization plan would not be guaranteed by the U.S. Government;**

**Whereas, the privatization, or private accounts, will require the addition of trillions of dollars of debt and interest payments that will need to be repaid;**

**Whereas, raising the \$90,000 income cap, adequately, will increase the longevity of social security; the cap should not be raised to fund privatization.**

**Whereas, the huge debt to finance the privatization of Social Security would fall on those that the plan was devised to protect, our children and grandchildren;**

**Whereas, a change from the wage index to a price index calculation will reduce benefits for all Social Security recipients;**

**Whereas a decrease in Social Security benefits by the federal government will increase the financial burden on local, county, and state government, and taxpayers;**

**Whereas, Social Security Totalization Agreement with 23 foreign countries, like Mexico, could threaten the financial stability of our Social Security Insurance System;**

**We therefore request that President Obama, members of the United States Senate, and members of the U.S. House of Representatives oppose the privatization of Social Security and support raising the income cap to adequately address the problems of solvency and longevity. We oppose any totalization agreement with foreign countries, like Mexico, that could threaten the financial security of American citizens in the United States through the fiscal undermining of our Social Security System.**

**Social Security, the most successful insurance program in United States history, one that has benefited so many people, should be protected now and in the future from costly foreign Totalization Agreements and those that want to initiate risky and costly private accounts or privatization schemes.**

Exercise your right to know the facts, question your U.S. Senators and members of the U.S. House of representatives who were hired to represent our best interests. Whether you are an Independent, Republican, Democratic, or Green Party member, these issues will impact you in the near future and they certainly will impact your children.

**TO LEARN MORE ABOUT SOCIAL SECURITY AND YOUR RIGHTS AND BENEFITS:**

- 1, Social Security Administration Home Page: <http://www.ssa.gov/>
- 2, Social Security Totalization Agreements with other countries:  
[http://search.ssa.gov/search?q=Totalization+Agreements&btnG=GO&output=xml\\_no\\_dtd&sort=date%3AD%3AL%3Ad1&ie=UTF-8&client=default\\_frontend&oe=UTF-8&proxystylesheet=default\\_frontend&proxyreload=1](http://search.ssa.gov/search?q=Totalization+Agreements&btnG=GO&output=xml_no_dtd&sort=date%3AD%3AL%3Ad1&ie=UTF-8&client=default_frontend&oe=UTF-8&proxystylesheet=default_frontend&proxyreload=1)
- 3, Social Security Totalization Agreements with other countries:  
[http://www.ssa.gov/OP\\_Home/handbook/handbook.01/handbook-0107.html](http://www.ssa.gov/OP_Home/handbook/handbook.01/handbook-0107.html)
- 4, For additional information on Social Security "Totalization agreements" see:  
[http://www.socialsecurity.gov/international/agreements\\_overview.html](http://www.socialsecurity.gov/international/agreements_overview.html)
- 5, U.S. Totalization Agreement with Mexico (current status unknown):  
<http://www.ssa.gov/pressoffice/factsheets/USandMexico-alt.htm>
- 6, **Petition to Oppose Social Security Privatization:**  
<http://www.agriculturedefensecoalition.org/> or  
E-Mail Rosalind Peterson: [info@californiaskywatch.com](mailto:info@californiaskywatch.com)
- 7, **The new energy, climate, and Cap & Trade bill soon to be voted upon by Congress will just be another money market "ponzi" scheme designed to drain money from the middle classes to support corporations who will continue to pollute by buying or being given free bogus credits (worth \$Billions), in another money market charade. (It is time to stop another corporate giveaway scheme by contacting your U.S. Senators to stop this bill from being passed.) For More Information: See Cap & Trade Section:** <http://www.agriculturedefensecoalition.org/>