

# **POSITION PAPER**

## **SOCIAL SECURITY**

**By: John W. Wallace**

**America's promise to guarantee retirement benefits to its senior citizens, once considered etched in stone, has become little more than a political tool to be used by partisan politicians to scare retirees into believing that their opponents want to take away their hard earned benefits. At the same time, these same politicians know full well that the government itself has caused the insolvency of the system by using social security surplus revenues for other purposes. This has been going on for a long time and these annual cash surpluses are expected to continue until around 2013. After 2013, annual deficits will begin to grow as a result of a large influx of new retirees from the baby boom generation.**

**These annual cash-flow deficits are expected to grow to approximately \$100's of billions by 2015 and into the Trillions by 2025. Defenders of the current system say we need not worry nor take action immediately because money in the Social Security Trust Fund can be used to finance all promised benefits until 2032. Unfortunately, the Social Security Trust Fund appears to be a slight-of-hand deception. It contains no genuine assets, only government IOUs (bonds) that have no value beyond a promise to impose higher taxes on future workers and taxpayers. The Trust Fund has no real economic assets that can be drawn down in the future to fund benefits. Instead, the assets are nothing more than claims on the Treasury that can only be paid through financing by raising taxes, issuing more IOU's (bonds), or reducing benefits or other expenditures. In reality, the Trust Fund's holdings simply show that one part of the government, the Treasury, owes money to another part of the government, the Social Security Trust Fund.**

**Retirees currently living on fixed social security incomes are seeing a loss in actual purchasing power due to higher taxes, inflation, as well as out of control government spending. The proposed solutions for avoiding bankruptcy range from lowering the benefits for future retirees, increasing social security withholding taxes of those still working, taxing social security benefits and increasing the age of eligibility before retirees can even receive their benefits. These are not real solutions, but just more smoke and mirrors. Imposing any tax on Social Security benefits would simply be unfair to our seniors. The social security system is becoming insolvent because of excessive government spending and the use of social security revenues for other purposes.**

In 2008, the text of the U.S.-Mexico Social Security Totalization Agreement negotiated between the United States and Mexico was released to the public, bringing new attention both to this proposed agreement, and to the serious problem related to the payment of Social Security benefits to workers who earn "credit" in the Social Security system while illegally employed in the United States.

The United States currently has twenty plus Totalization agreements in place with other nations. They are generally used to provide relief for foreign workers who are paying taxes to the Social Security system and to another nation's social retirement system. The plans usually balance each other out with minimum effect on US taxpayers. The US-Mexico Social Security Totalization Agreement, unlike our agreements with other nations, is likely to have a severe negative impact on the Social Security Trust Fund because of the unique factors associated with Mexico and the extraordinary number of Illegal Alien Mexican citizens working in the United States who would be covered by the new agreement. If implemented, this agreement would benefit Mexican citizens far more than it would benefit citizens of the United States. The larger issue, however, is that current Federal law still allows non-citizens to receive Social Security payments based on credits earned while illegally employed. I believe that allowing anyone to profit financially from the commission of a crime is wrong. Under no circumstance should an Illegal Alien worker be allowed credit in the Social Security system for unauthorized work in this country and I believe that Illegal Aliens should not be allowed to collect any Social Security benefits.

Therefore, for the reasons outlined previously:

I support the Social Security for Americans Only Act, introduced by Rep. Ron Paul, or similar legislation, that states that it is fundamentally unfair to give benefits to anyone who has not legally paid into the system and effectively ends the drain on Social Security caused by illegal aliens.

I support the Senior Citizens Tax Elimination Act, introduced by Rep. Ron Paul (R-Texas), or similar legislation, that would repeal ALL taxes on Social Security benefits and is designed to eliminate political theft of our seniors' income and raise their standard of living.

I support the Social Security Preservation Act, introduced by Rep. Ron Paul (R-Texas), or similar legislation, that would ensure that money paid into the system is only used for the benefit of the Social Security System and cannot be used for any other purpose.

For more information about John W. Wallace, or to find out about his positions on other issues, please go to: [www.TeaPartyRep.com](http://www.TeaPartyRep.com)