

May 29, 2020

U.S. Senate
Washington, DC 20510

Dear Senator,

On behalf of the millions of workers, retirees, people with disabilities and survivors the undersign organizations represent, we urge you to oppose any proposals to cut, defer or suspend Social Security and Medicare payroll taxes in the next coronavirus relief bill.

Our plea to you has taken on a new urgency since President Trump recently made a payroll tax cut a precondition of the next COVID-19 legislation. We believe there are many reasons why accepting this proposal in the package now being negotiated would make harmful and ineffective public policy.

First, the plan would not get enough money out the door and into households' pockets quickly enough. A payroll tax cut will trickle out slowly over time. In addition, the employee-side payroll tax cut is poorly targeted and sends a lot of money to high-income individuals. And unemployed workers, who are unlikely to have enough savings to tide them over during a COVID-19 recession, would not receive one penny of relief from a payroll tax cut.

Employer-side payroll tax cuts are even worse. They are a pure windfall to business and would do nothing for workers in the short run.

What is more, the proposal undermines the earned right nature of Social Security. Social Security is an earned benefit fully funded by the contributions of workers throughout their working lives. A payroll tax cut, suspension, or deferral chips away at that fundamental idea, making it easier each time it is enacted to turn to it again to meet some future crisis, until the payroll tax is permanently eliminated. Corrupting the program in this manner would help achieve the goals of opponents of Social Security including those who would cut benefits and privatize the program. This is equally true even if the funds are replaced by general revenues from the Treasury.

Instead of proposals to cut, defer or suspend Social Security and Medicare payroll taxes, we urge you to provide more immediate and effectively targeted economic relief to workers and seniors during the current crisis by enacting another round of rebate payments, like what was included in the Coronavirus Aid, Relief and Economic Security Act (P.L. 116-136); the Making Work Pay Tax Credit; an expansion of the Earned Income Tax Credit; and a \$200 a month payment to all Social Security, Veterans, and Supplemental Security Income (SSI) beneficiaries through the end of 2021.

The public health crisis of the coronavirus is both a health and an economic threat to workers, older Americans, people with disabilities and survivors. That is why it was heartening to see the Congress respond to the particular peril faced by unemployed workers, older people and those with serious health conditions in the bipartisan CARES Act. But millions of vulnerable Americans will need a more targeted response to ensure their economic and health security. For that reason, we urge you to include the measures we proposed in this letter in the next COVID-19 relief legislation and to reject any plan to cut, defer or suspend Social Security and Medicare payroll taxes.

Sincerely,

Aging Life Care Association
Alliance for Retired Americans
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers (AFT)
American Geriatrics Society
American Society on Aging
Americans for Tax Fairness
APWU, Retirees Department
California Alliance for Retired Americans
Campaign for America's Future
Center for Medicare Advocacy
Institute on Taxation and Economic Policy
International Federation of Professional and Technical Engineers
International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW)
Justice in Aging
Latinos for a Secure Retirement
Medicare Rights Center
National Adult Day Services Association (NADSA)
National Association of Area Agencies on Aging
National Association of Social Workers (NASW)
National Association of State Long-Term Care Ombudsman Programs
National Committee to Preserve Social Security and Medicare
National Senior Corps Association
Responsible Wealth
Social Security Works
Tax March
The Gerontological Society of America
United for a Fair Economy
Washington State Alliance for Retired Americans