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## U.S. Rep. John Larson Says His Bill Will Bolster Social Security

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U.S. Rep. John B. Larson has a plan that he says will stabilize the Social Security system until the turn of the next century.

It starts with "rebranding" the government program launched 80 years ago by President Franklin D. Roosevelt.

"There's a lot of misunderstanding about Social Security," said Larson, a Democrat from East Hartford who represents Connecticut's 1st Congressional District. "The notion that has been stated by so many that it's an entitlement program is wrong-headed. Social Security is the insurance that you pay for. It's earned compensation."

Larson's bill — he calls it the Social Security 2100 Act — seeks to do more than shift public perceptions about the program. It promises to boost the system's financial stability by increasing the Social Security tax rate and raising the amount of earnings subject to the tax.

It would also raise the threshold for taxation on the benefits, effectively giving more than 10 million lower-income retirees a tax break. And it provides for a new way to calculate cost-of-living benefits that takes into account rising medical costs, a disproportionate drain on many seniors' budgets.

"The real genius of this proposal is that it comprehensively solves the challenges to Social Security," said Sen. Richard Blumenthal, a Democrat from Connecticut who has introduced the bill in the Senate. "It is a smart, targeted and positive way to make sure Social Security is truly secure for the next 75 years and that the burdens are allocated fairly."

The bill does not raise the retirement age or permit younger workers to divert a portion of their Social Security payroll taxes into private retirement accounts, a proposal pushed by President George W. Bush in 2005.

Stephen C. Goss, the chief actuary for the Social Security Administration, reviewed Larson's bill and found that it would make the Social Security Trust Fund fully solvent for more than 75 years.

The measure has its critics, however. Michael Tanner, a senior fellow at the Cato Institute, says Larson's proposal does not address the structural issues facing Social Security.

"This would balance the program on paper, but it wouldn't change its overall finances as far as the federal budget goes," Tanner said. "It would bring in more revenue for the short term, but that money would be spent."

The Cato Institute, a [Libertarian](#) think tank, has long advocated a different approach to Social Security, one that involves raising the retirement age and allowing younger workers to opt out in favor of private accounts.

Larson has long championed efforts to strengthen the solvency of Social Security. Now, at age 66, the fight resonates a bit more than it did in years past.

"This is a very sore point with me, I guess, because ... I'm a baby boomer," Larson said at a recent constituent forum in Glastonbury.

The issue has some urgency for the rest of America, as well. According to the 2014 annual report issued by the trustees of the Social Security and [Medicare](#) trust funds, "the projected cost of Social Security increases faster than projected income through about 2035, primarily because of the aging of the baby-boom generation and relatively low fertility since the baby-boom period."

The trustees project that the system will have sufficient reserves to pay full benefits on time to retirees until 2034. (The disability insurance program administered by Social Security faces a more dire future and could see its trust fund depleted as soon as next year, the report stated.)

"The trustees recommend that lawmakers address the projected trust fund shortfalls in a timely way in order to phase in necessary changes gradually and give workers and beneficiaries time to adjust to them," the report states. "Implementing changes soon would allow more generations to share in the needed revenue increases or reductions in scheduled benefits."

Preserving and enhancing Social Security is seen as critical in an era of dwindling retirement savings and the disappearance of traditional defined-benefit pension plans, at least in the private sector.

"What America faces really isn't a crisis in Social Security. What America faces is a crisis in retirement security," Larson told the crowd of about 50 gathered in the cafeteria of Glastonbury High School for a community forum.

Several audience members liked what they heard from Larson.

"Nobody wants to hear about cuts," said Valerie Lennon, a retired postal worker from East Hartford. "Social Security has never missed a payment. ... We all believe it should be there for us."

The bill would shore up the underfunded Social Security Trust Fund by subjecting all earnings over \$400,000 to Social Security taxes. Currently, earnings above \$118,500 are not subject to the tax.

But that alone is not enough to ensure the system's solvency for the next 75 years, Larson said. The bill would also gradually increase the Social Security tax rate for both employees and employers. Those rates are now set at 6.2 percent each; the Larson-Blumenthal plan would increase both contributions to 7.2 percent over the course of 25 years.

Cato's Tanner said Larson's bill is built upon "a huge tax increase — and not just on the rich." Increasing the earnings subject to the tax would hurt middle-class taxpayers, he said.

But the proposal has the support of a number of groups pushing to preserve Social Security.

"We're concerned about two things: the adequacy of benefits and the long-range solvency of the program," said Max Richtman, president of the National Committee to Preserve Social Security and Medicare, a non-partisan advocacy organization representing Social Security recipients. "This plan would address both of them."

Richtman praised another provision of the legislation: It would rejigger the funding formula for cost-of-living increases in Social Security benefits by taking into account the steep rise in health care costs. The measure has drawn criticism by some on the left, who object that the cost-of-living increase would be passed on to all recipients, even the wealthiest.

Winning the backing of Republicans in Congress could prove to be a bigger challenge. Blumenthal said he has begun reaching across the aisle to secure GOP support.

"The naysayers have to say yes at some point to something," he said. "There still are Republicans who believe in Social Security, and there are Democrats who believe the program can be improved. ... There is a lot of common ground here."

Larson said his bill has more than 50 co-sponsors in the House, but they are all Democrats.

Still, he is optimistic. He notes that 90 of the 120 congressional districts with the higher proportion of elderly residents are represented by Republicans.

Larson said he is open to compromise with the GOP majority.

"There should be enough of a balance here where we solve the problem and move on," he said. "There's plenty enough to argue about and disagree with, but this is something that we ought to give every American the confidence that it will be there. I don't think this is a radical proposal that we've come up with. ... I think it's rather common sense."