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Commentary: Which Senate candidate is correct on handling Social Security?

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The race to replace Harry Reid in the Senate is one of the most closely watched and highly contested elections in the nation this year. The most recent poll has Republican Rep. Joe Heck leading Reid's hand-picked Democratic opponent, former state Attorney General Catherine Cortez Masto, by 3 points — 38 percent to 35 percent with the substantial remainder undecided.

More than $11 million has been spent by outside organizations on this race, the fourth highest in the nation, according to OpenSecrets.org.

On almost every issue the two candidates take opposing stances, but perhaps the most contentious is what to do about Social Security.

Cortez Masto has latched onto a comment then-freshman Congressman Heck made during a meeting with constituents five years ago in which he called Social Security a "pyramid scheme" in which "the people after you are paying for your benefits."

She has accused Heck of wanting to privatize Social Security to benefit big banks and Wall Street.

"Congressman Heck's Washington handlers did more contortions than an Olympic gymnast in trying to defend his record of putting Wall Street and the Big Banks ahead of Nevada families," Zach Hudson, spokesperson for the Cortez Masto campaign said in a recent press release. "First Congressman Heck's handlers falsely say he does not support the privatization of Social Security — then they immediately say he does support putting the retirement security of Nevada seniors in the hands of Wall Street."

What Heck has suggested is allowing younger workers to have the option of privately investing some portion of the money that currently is deducted from their paychecks for Social Security.

Heck's campaign argues that he is "the only candidate in the race for U.S. Senate who is willing to heed the warnings being issued by the Medicare and Social Security trustees. Those warnings are clear: Medicare and Social Security, upon which thousands of Nevada seniors rely, are not on sound financial footing and need to be strengthened if they are to provide the health and income security our seniors deserve. Ignoring those challenges, which would be Ms. Cortez Masto's approach, will result in benefit cuts and uncertainty for those near retirement age."

A Democratic super PAC recently spent $900,000 on commercials attacking Heck's stance on Social Security.

In the middle of this contretemps, Reid himself put out a press release a week ago on the 81st anniversary of the creation of Social Security praising the program for "providing millions with the economic security they have earned and deserve."

Reid fulminated, "Unfortunately, despite decades of success, many Republicans continue to threaten the future of Social Security. Republican leaders routinely exaggerate the financial challenges facing the program in an effort to create a false sense of crisis. … I have spent my career fending off attacks against Social Security."

This is the same Reid who earlier in his career took to the floor of the Senate on Oct. 9, 1990, standing next to a sign emblazoned in red letters with the word "embezzlement."

"It is time for Congress, I think, to take its hands — and I add the president in on that — off the Social Security surpluses. Stop hiding the horrible truth of the fiscal irresponsibility that we have talked about here the past two weeks. It is time to return those dollars to the hands of those who earned them — the Social Security beneficiaries and future beneficiaries. …" Reid ranted. "I think that is a very good illustration of what I was talking about, embezzlement, thievery."

Nothing has changed in the past 26 years except Reid's politics.

In fact, the Social Security Board of Trustees in its 2016 annual report states that Social Security reserves will be depleted in 2034, after which there will be sufficient funds to pay only three-quarters of scheduled benefits.

As for the argument that private investments are too risky, Cato Institute's Michael Tanner notes that if workers who retired in 2011 had been allowed to invest just half of their payroll tax deductions they would have retired with more income than they are getting under Social Security and, even under the worst-case scenario, their benefits would equal traditional Social Security payouts.

"With Social Security already running a cashflow deficit today — and facing a $21 trillion shortfall in the future that will make it impossible to pay promised benefits — private investment and personal accounts should be part of any discussion about reforming the troubled system," Tanner advocates.

Sounds like what Heck proposes.