Republican Coronavirus Package Threatens Social Security, While Democrats Fight to Expand Benefits

(Washington, DC) — The following is a statement from Nancy Altman, President of Social Security Works, on the coronavirus stimulus package currently under negotiation in the Senate:

"Senate Republicans are using the coronavirus crisis as a cynical cover to attack our Social Security system. The proposal they released on Thursday night would allow employers to ‘defer’ their Social Security insurance premiums (FICA contributions) until next January.

In practice, if this becomes law, it is highly unlikely that Congress would ever require the employers to repay the FICA contributions. Even simply restoring them would prove difficult, since Congress would be accused of raising taxes on businesses. Therefore, this should be viewed as a cut to Social Security’s dedicated revenue.

The Republican plan would replace Social Security’s dedicated revenue with deficit-funded general revenue, but this is a trap. Once the pandemic is done, Republicans will undoubtedly use the general revenue to demand cuts to Social Security in the name of ‘reining in entitlements,’ something they have already expressed their strong desire to do. Since there are much better ways to deliver the same relief to employers, the only reason to deliver it this way is in the hope of undermining Social Security.

In contrast, Senate Democrats are fighting to expand Social Security’s modest benefits so that seniors and people with disabilities, who are among the most vulnerable to the coronavirus, have the financial means to weather this crisis.

Senators Elizabeth Warren (D-MA) and Ron Wyden (D-OR), with the support of Democratic Leader Chuck Schumer (D-NY), are proposing to send an additional $200 a month to all Social Security beneficiaries, as well as the poorest seniors and people with disabilities receiving SSI, and veterans receiving veterans’ pensions.

This will help beneficiaries afford housing, food, medicines, and other vital needs during this challenging time. As a byproduct, it showcases Social Security’s efficiency and reach, which are so needed in this moment.

The Senate should adopt the Warren-Wyden plan, which builds on Social Security’s strength, and discard the Republican plan, which weakens this vital program.