
**Children & Family Services
Committee**

SJM 8014

Brief Description: Requesting that the privatization of social security be rejected.

Sponsors: Senators Thibaudeau, Jacobsen, Fairley, Brown, Prentice, McAuliffe, Regala, Rockefeller, Fraser, Rasmussen, Weinstein, Kline, Keiser and Kohl-Welles.

Brief Summary of Bill

- Requests that Congress and the Presidential Administration reject the current effort to privatize Social Security.

Hearing Date: March 31, 2005.

Staff: Cynthia Forland (786-7152).

Background:

Social Security is a social insurance system established in 1935 to provide benefits to workers and their family members upon retirement, disability, or death. It is an earned benefit insurance program, which means that only those who work and pay taxes are eligible for Social Security benefits. According to the most recent data, Social Security provides monthly benefits to 47 million beneficiaries. In 2001, Social Security paid a total of \$471 billion to retired workers, disabled workers, and to the surviving family members of deceased workers.

Social Security offers mainly retirement benefits, but workers can receive four different types of benefits under Social Security: retirement, early retirement, disability, and survivorship benefits. Workers are entitled to retirement benefits if they have contributed to Social Security for at least 10 years, and if they have reached 65 years of age, or 67 years of age for those born after 1959. Early retirement benefits are available to workers, at a reduced benefit rate, if they have contributed to Social Security for at least 10 years, and if they have reached the earliest age at which benefits can be paid, which is currently 62 years of age. Workers are also insured in case they become disabled and can no longer work. The number of years that are required to receive disability benefits varies with the age of a worker. Social Security offers life-insurance type benefits to workers. If a worker dies, that worker's family receives benefits from Social Security. Survivorship benefits are paid if the deceased worker has, on average, worked at least one quarter for each year after the worker reached 21 years of age.

Summary of Bill:

It is requested that the Congress and the Presidential Administration reject the current effort to privatize Social Security and instead engage in an open dialogue with the American public to arrive at a sensible solution that preserves the original intent of Franklin Delano Roosevelt, making Social Security an insurance fail-safe for the aged and disabled and a complement to every individual's ability to invest in the private market on their own.

Appropriation: None.

Fiscal Note: Not requested.