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July 10, 2023

Committee on the Budget U.S. Senate Washington, DC 20510 Rebecca S. Pringle President

Princess R. Moss Vice President

Noel Candelaria Secretary-Treasurer

Kim A. Anderson Executive Director

Dear Senator:

On behalf of our 3 million members and the 50 million students they teach and support, we would like to submit the following comments in association with the July 12 hearing, "Protecting Social Security for All: Making the Wealthy Pay Their Fair Share."

Social Security is the most successful anti-poverty program in America's history. Without it, nearly 22 million more adults and children would be living in poverty, according to an analysis by the <u>Center on</u> <u>Budget and Policy Priorities</u>. To make Social Security even more effective, we urge Congress to:

## Lift the cap on taxable income to strengthen the Social Security Trust Fund

- At present, annual earnings up to \$160,200 are subject to the Social Security payroll tax.
- To put Social Security on a firm financial footing over the long term, we support lifting the cap on earnings subject to the payroll tax.
- Lifting the cap would not affect the vast majority of workers—only about 6 percent earn more than the current cap, according to the <u>Social Security Administration</u>.

## Address longstanding inequities in benefits for certain public servants

- Eliminate the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) that deprive 2.5 million hard-working Americans, including many educators, of Social Security benefits they have earned.
- The GPO reduces—or eliminates—the Social Security spousal or survivor benefits of people who also get a pension based on federal, state, or local government employment NOT covered by Social Security. Two-thirds of the pension amount is deducted from the Social Security benefit—for someone getting a \$1,500 pension, for example, the Social Security benefit is lowered by \$1,000. More than 70 percent of those affected by the GPO lose their entire spousal or survivor benefit.
- The WEP reduces the Social Security benefits of people who work in jobs covered by Social Security and jobs NOT covered by Social Security over the course of their careers—for example, educators compelled to take part-time or summer jobs to make ends meet. Some people receiving foreign pensions are also subject to the WEP.

We thank you for the opportunity to submit these comments and stand ready to work with you to enhance and strengthen Social Security.

Sincerely,

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Marc Egan Director of Government Relations National Education Association