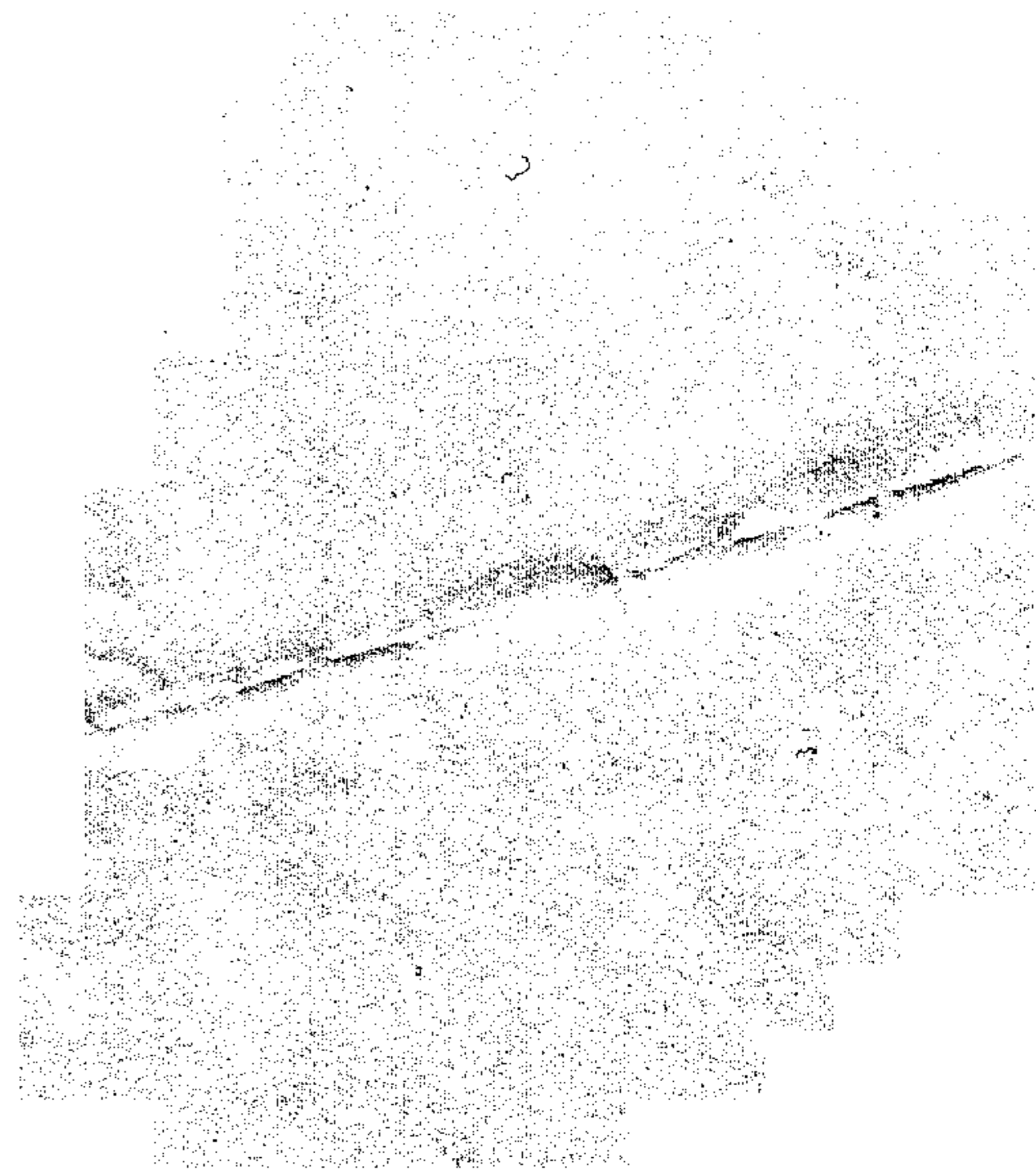


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Modest fixes won't save Social Security



Regarding the letter by Steven Newmark, "Bush crying wolf on Social Security" (Jan. 31): Newmark states his generation (boomers) has paid the highest payroll taxes of any generation.

The author of the Social Security Act, A.J. Altmeyer, testified on Nov. 27, 1944, "There is no question that the benefits promised under the present federal old-age and survivors' insurance system will cost far more than the 2 percent of payrolls now being collected. As I pointed out in my testimony of last year, none of the actuarial estimates which have been made on the basis of present economic conditions and other factors now clearly discernible result in a level annual cost of this insurance system of less than 4 percent of payroll. Indeed, under certain assumptions the level annual cost has been estimated to be as much as 7 percent of payrolls. On the basis of a 4 percent level annual cost, it may be said that the reserve fund of this system already has a deficit of \$6,600 million. On the basis of 7 percent level annual cost, it may be said that the reserve fund already has a deficit of about \$16,500 million."

Modest adjustments will not correct 68 years of neglect. The current Social Security Old Age Tax of 10.6 percent will need to rise to just over 18 percent by 2080 to pay scheduled benefits. This is a 70 percent increase in the tax.

Why should workers today support Social Security when their cost is three times its payable benefit?

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