

News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

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CONTACT: Scott Richardson
(202) 224-6521

STUDY SHOWS DEMOCRATS CUT SOCIAL SECURITY BENEFITS \$130 A MONTH

WASHINGTON -- Senator Robert J. Dole (R.-Kan.), Chairman of the Senate Finance Committee today announced that the staff of the Finance Committee has completed a study of the social security cuts mandated by the 1977 Social Security Act Amendments. This study shows that these amendments dramatically reduced the benefits of those currently retiring. The study demonstrates that the 1977 legislation is still costing recipients as much as \$130 per month in social security benefits.

"It is ironic that the very Democrat leaders who are now accusing Republicans of wanting to cut benefits in the future, are themselves responsible for these massive social security benefit cuts," said Dole, a member of the President's Task Force on Social Security, whose Senate Finance Committee has jurisdiction over social security. "A Democratic Administration and the Democratic Congressional leadership fashioned and supported these cuts in recipient benefits. This includes Congressmen Tip O'Neill and Claude Pepper," Dole noted.

"Democrats who are now grabbing headlines with horror stories designed to scare social security recipients should check their own party history when it comes to social security cutbacks," Dole said. "In contrast to groundless accusations, we have the realities of Democratic action in 1977 that cut social security recipient benefits by \$30 billion over the next five years.

According to the Senate Finance Committee study, tax increases and benefit cuts enacted by the Democratic Administration and Democratic Congress of 1977 will have the following impact over FY 1983-1987:

- 1) For the average beneficiary retiring this year at age 65, the 1977 measure will result in a cut of \$130 per month in benefits, or more than \$6,200 (counting CPI increases) over the five-year period.
- 2) For the maximum beneficiary, the five-year cuts will total more than \$8,000.
- 3) For the average taxpayer, the added social security tax will total \$600.
- 4) For the maximum taxpayer, the added tax translates into a five-year hike of \$4,400.
- 5) For the system as a whole, the 1977 amendments will mean for FY 1983-1987: \$180 billion in increased taxes and \$30 billion in benefit reductions.

"The results of the study demonstrated that Democrats are not helping anyone with their attempts to make social security a partisan battleground. Misleading figures and scare tactics can only undermine the chances for resolving the very real problem now threatening 36 million social security recipients. It is time to stop pointing fingers and get on with the business of responsibly addressing the challenge before us: maintaining the solvency of the social security system. There is too much at stake, and too little time to let partisan rhetoric paralyze our solvency efforts. One fact we should be addressing is that by July, 1983 the social security system will not have enough money to pay benefits unless Congress takes action," Dole concluded.