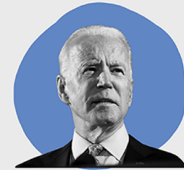




TRUMP THREATENS SOCIAL SECURITY– BIDEN WILL STRENGTHEN IT



TOPLINE POINTS

- President Trump [is threatening Social Security](#) by saying he will “terminate” the payroll tax that provides 90% of the program’s funding. Joe Biden wants to expand and strengthen Social Security by making higher-paid workers contribute more to the program, so it is fully funded for decades.
- Trump has suggested replacing payroll taxes with general fund revenue, but he has not offered a specific or plausible plan for **how he would replace the approximately \$1 trillion that would be lost each year by eliminating the Social Security payroll tax.** Without a replacement the deficit would increase by \$1 trillion a year.
- Without an alternative funding source, Social Security disability payments would end in 2021, while [retirement and survivor payments would run out in 2023](#), according to the program’s official scorekeeper.
- Trump has defied Congress and [authorized employers to stop collecting](#) for the rest of this year the employee part of the payroll tax for workers making less than about \$100,000 a year. Trump has promised in a second term that [“we’ll be cutting” benefits in entitlement programs](#) like Social Security and Medicare to reduce the national debt. He has in the past [supported privatizing Social Security](#).
- **Joe Biden wants to [strengthen Social Security and expand benefits](#) for its oldest and lowest-income recipients.** He would pay for these reforms by collecting Social Security taxes on annual salaries above \$400,000 which, along with all other wages and salaries above roughly \$138,000 this year, are currently exempt from Social Security taxes.

TRUMP HAS THREATENED TO END THE PAYROLL TAX, A SEVERE THREAT TO SOCIAL SECURITY

- When signing his executive order permitting employers to defer collecting Social Security employee taxes from workers making less than roughly \$100,000 for the rest of this year, [Trump promised to make these cuts permanent](#): “If I’m victorious on November 3rd, I plan to forgive these taxes and make permanent cuts to the payroll tax . . . In other words, I’ll extend beyond the end of the year and terminate the tax.”
- After White House aides tried to claim Trump [didn’t mean what he said](#), the President made clear that he did, stating: “...[\[W\]e will be ending that tax . . . we will be terminating that tax.](#)” Trump separately asserted that a family would [save at least \\$5,000 a year](#) in payroll taxes from termination, suggesting he is serious about the proposal.
- The payroll tax supplies [about 90% of Social Security’s funding](#), according to the program’s chief actuary. Ending the tax would [lose about \\$1 trillion a year](#) in revenue.
- Trump has said the general fund would make up the \$1 trillion shortfall, but he’s not said which if any other taxes he would raise or spending he would cut to make up the shortfall, or if he’ll just increase the deficit. The federal [deficit is near record levels](#) and members of Trump’s own party are [resisting any further borrowing](#), even for emergency COVID aid.

ENDING THE PAYROLL TAX WITHOUT BACKUP FUNDING WOULD QUICKLY END BENEFITS

- According to Social Security's chief actuary, ending the payroll tax without an alternate funding source [would dry up funding](#) for disability payments by next year and for retirement and survivor benefits in 2023.
- Around [55 million Americans rely on Social Security](#) retirement and survivor benefits, and almost 10 million receive Social Security disability benefits.
- [Benefits are extremely modest](#): retirement and survivor benefits average around \$1,400 a month, disability benefits around \$1,300. Yet for 70% of single beneficiaries, Social Security supplies [half or more of their income](#). For about half of single beneficiaries, Social Security is practically their only source of income.

TRUMP HAS A HISTORY OF THREATENING SOCIAL SECURITY

- Despite the opposition of [both parties in Congress](#) and [most expert opinion](#), Trump said he might [not sign a new coronavirus relief bill](#) unless it contained a cut in the Social Security payroll tax.
- [He later acted unilaterally](#), authorizing through executive order employers to suspend for the last four months of the year collection of the employee half of Social Security taxes for workers making roughly less than \$100,000.
- Trump has promised for his second term that [“we’ll be cutting” benefits in entitlement programs](#) like Social Security and Medicare in order to reduce the national debt.
- In one of his books, Trump promoted the [privatization of Social Security](#). By diverting taxes into private accounts invested in the stock market, Trump's scheme would [deplete funding for current beneficiaries](#) as well as make future retirements shakier.

IN CONTRAST, JOE BIDEN WOULD STRENGTHEN AND IMPROVE SOCIAL SECURITY

- Biden has pledged to [strengthen Social Security](#) so it is fully funded for decades and to improve its benefits, especially for its most vulnerable recipients.
- He would boost benefits for the oldest retirees, those receiving benefits for over 20 years; create a benefit floor to keep the lowest-income beneficiaries out of poverty; and increase payments to widows and widowers.
- Biden would pay for these reforms by requiring the highest-income workers to contribute more to the system. Currently, wages and salaries above roughly \$138,000 this year (the amount increases with inflation) are exempt from Social Security taxes. Biden would apply the payroll tax to wages above \$400,000. This would [raise nearly \\$1 trillion](#).