



# NEWS

## AMERICANS FOR TAX REFORM

1920 L Street, NW • Suite 200 • Washington, DC 20036  
202.785.0266 • Fax 202.785.0261

WWW.ATR.ORG

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CONTACT: Jonathan Collegio  
Chris Butler  
202-785-0266

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## ATR Praises “6.2% Solution” Personal Accounts Plan for Social Security

*--Worker half of payroll tax would be saved, invested in personal account worker would own and control--*

**WASHINGTON** — Americans for Tax Reform today praised the “6.2% Solution,” sponsored by Congressmen Sam Johnson (R-TX), Pat Toomey (R-PA), and Jeff Flake (R-AZ). The bill would allow younger workers to save their portion of the payroll tax in a personal retirement account (PRA) that they would own and control.

Workers under the age of fifty-five could choose to save their 6.2% payroll tax in a personal account. Prior taxes paid to Social Security would be deposited in the account via a recognition bond. Upon retirement, the PRA money would be tax-free, much like a Roth IRA. In the event of death, the saved money could be passed along to family members and loved ones.

**“Social Security must be fixed,”** said Americans for Tax Reform President Grover Norquist. **“The system simply will not give younger workers the same safety net that their parents and grandparents have come to expect.”**

According to the non-partisan Social Security Administration, the current system will not be able to pay promised benefits beginning in 2018, a mere fourteen years from now. In order to deliver what Social Security promises but cannot pay, payroll taxes would have to rise by more than 50%, or benefits would have to be cut by a third, or some combination of the two.

**“The real solution is to give power to ordinary Americans,”** continued Norquist. **“Workers need to be given greater ownership of their retirement future. For more than two decades, they have had a measure of that with IRAs and 401(k) plans. A majority of households and 70% of voters own equity as a result of that control. PRA plans for Social Security will save the system from bankruptcy, but they will more importantly give every American a stake in saving for retirement.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at [jcollegio@atr.org](mailto:jcollegio@atr.org).

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