



NEWS

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20 July, 2004

Taxpayer Group Hails Plan to Strengthen Social Security with Personal Accounts

--Bill introduced by Congressman Paul Ryan (R-WI) would give workers choice and control--

WASHINGTON — Americans for Tax Reform today hailed the introduction of legislation by Congressman Paul Ryan (R-WI) to save and strengthen Social Security. **The bill would create voluntary personal retirement accounts (PRAs) roughly equal to the worker half of the payroll tax** that finances the program.

Under the plan, workers would choose investments by picking funds managed by major private investment firms, from a list regulated for safety and soundness, similar to how the retirement plan for federal employees operates. Benefits payable from the tax-free accounts would substitute for a portion of Social Security benefits based on the degree to which workers exercised the account option over their careers. Workers exercising the personal accounts would receive traditional Social Security benefits based on the past taxes they have already paid into the program, in addition to the money from their personal accounts.

“Congressman Ryan’s proposal enhances Social Security to give each worker the chance to have ownership of real personal savings and investment, while maintaining a strong safety net for all seniors,” said ATR President Grover Norquist. **“This produces enormous benefits for taxpayers, and for the nation as a whole.”**

The accounts would produce substantially more in benefits for working people than Social Security now promises but cannot pay. Independent studies show that an account invested half in corporate bonds and half in stocks, and earning standard long-term market investment returns, would provide workers with roughly two-thirds more in benefits than Social Security promises, but cannot pay. An account invested two-thirds in stocks and one-third in bonds would pay workers over twice what Social Security promises today.

“This plan would allow the payroll tax to be cut by two-thirds, rather than raised by 50%, as is needed under current law,” continued Norquist. **“This bold reform needs to be enacted now.”**

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.

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