



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

Social Security Task Force Cochairs' Statement Regarding Payroll Tax Deferral

August 11, 2020

The cochairs of the Consortium for Citizens with Disabilities Social Security Task Force continue to strenuously oppose proposals in Congress to reduce or suspend FICA taxes. Our opposition is even greater to President Trump's decision to defer payroll taxes via an executive memorandum.

Payroll taxes are the primary source of revenue for Social Security's retirement, survivors, and disability insurance programs, which together serve more than 61 million Americans. Deferring payroll tax revenues actively harms the Social Security trust funds by reducing the interest income usually earned. The executive memorandum will also be challenging for employers, the Treasury Department, and the Social Security Administration to implement. In addition, a deferral of payroll taxes usually due between September and December 2020 will not provide any meaningful economic relief for workers. It is regressive and of limited utility as an economic stimulus or as a way to help people struggling to pay bills because of the COVID-19 pandemic. People who are unemployed will receive nothing at all. This executive memorandum is of disproportionately little value to people with disabilities, who are more likely to be unemployed or to work lower-wage jobs than the general population.

President Trump's statement that he hopes to "extend [the payroll tax deferral] beyond the end of the year and terminate the tax" is especially equally concerning. Payroll taxes revenues fund Social Security benefits and without them, the program will face devastating cuts. After promising during his first campaign that he would make "no cuts" to Social Security, he has reversed his position and proposed a plan that would put an earned benefit on the fast track to insolvency. The 22 million Americans who Social Security keeps out of poverty cannot afford to lose their benefits. Nor can the over 156 million workers who are insured in the event of work-limiting disability, or the 226 million Americans who have paid FICA taxes for years or decades and expect Social Security benefits during retirement.

Social Security has broad public support: approximately 179 million Americans paid FICA taxes this year, and 81% of survey respondents say they don't mind doing so because of the security and stability Social Security provides them and millions of other Americans. President Trump's executive memorandum, and his plans for the payroll tax, would harm this critical program that has provided economic security to millions of Americans for 85 years and place the program in jeopardy for the generations to come.

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