

PENSIONS & RETIREMENT

Action on Social Security Pushed Back by Hurricane, Roberts Nomination

By ALEX WAYNE, CQ STAFF WRITER

Any action on a Social Security overhaul probably will have to wait until late September or October, with Congress facing a crowded agenda and Republicans continuing to dicker over details of legislation.

The two committees responsible for Social Security legislation — Ways and Means in the House and Finance in the Senate — also face Sept. 16 and Sept. 23 deadlines to write a package of tax and spending cuts demanded by the fiscal 2006 budget resolution (H Con Res 95).

Senate leaders hope to confirm Supreme Court nominee John G. Roberts Jr. by the end of the month. And both chambers must now deal with the aftermath of Hurricane Katrina, which devastated New Orleans and the Mississippi coast.

A Social Security overhaul was already looking like a long shot for this year at best, but proponents hope to see the House, at least, act on legislation this fall.

“We recognize this is a packed agenda in September, but there are additional months in the fall beyond September,” said Larry Burton, executive director of Business Roundtable, which is helping to lead a business coalition pushing President Bush’s Social Security proposals. “The important thing is it’s on the agenda.”

Bush has called for creation of individual investment accounts for workers younger than 55 using part of Social Security’s payroll tax revenue and slowing the growth of retirement benefits for most future retirees.

While individual accounts are popular with many Republicans, they are opposed by almost all Democrats.

Many Republicans and almost all Democrats alike have resisted Bush’s proposal to slow the growth of benefits, as well as other proposals to reduce Social Security’s

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long-term costs, such as raising the retirement age.

House leaders have endorsed a bill (HR 1308) by Jim McCrery, R-La., that would create individual accounts based on Social Security’s cash surplus. It remains unclear, however, whether Ways and Means Chairman Bill Thomas, R-Calif., will package McCrery’s bill with measures to cut Social Security’s costs. Both Thomas and McCrery have said they hope to include so-called solvency measures in the legislation, but the decision has not yet been made, according to a senior House Republican aide.

It is a crucial decision. Politically, a bill that includes McCrery’s proposal but no measures to reduce future Social Security benefits will be easier to explain to the public and defend against Democratic criticism.

But it would not be seen as a true overhaul of the system by business groups or by some moderate Republicans, and is seen as unlikely to put pressure on the Senate to act.

“It’s our hope — and I don’t think it’s completely unrealistic — that if Thomas can pass a bill that’s got some solvency and some sizable accounts, it might actually aid the Senate in moving forward,” said Derrick Max, executive director of two business coalitions pushing for an overhaul. “But if they go on the assumption that the Senate can’t move and they pass something that clearly can’t pass in the Senate, then we’ve lost an opportunity.”

The Senate, however, continues to show no sign that it will be able to pass legislation. Finance Committee Republicans failed to reach agreement on the shape of a bill before the recess. Although talks have continued among staff, there have been no breakthroughs, aides said. And three Finance Republicans, including Chairman Charles E. Grassley of Iowa, also sit on the Judiciary Committee and will be deeply involved in the Roberts debate.

One possibility Senate GOP leaders are considering is attempting to put a House-passed Social Security bill directly on the floor for debate.

“It sounds like they’re not even thinking about a Finance Committee route anymore,” said a Democratic aide on the committee. ♦

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