

**COALITION FOR THE MODERNIZATION AND
PROTECTION OF SOCIAL SECURITY**

1615 L Street NW #1100
Washington, DC 20036



April 7, 2005

***TO ALL MEMBERS OF THE U.S. SENATE AND
U.S. HOUSE OF REPRESENTATIVES***

On behalf of CoMPASS, the Coalition for the Modernization and Protection of America's Social Security, we urge you to take action this year to enact meaningful Social Security reform.

The more than 116 members of CoMPASS (see attached) represent a wide variety of interests, but are united in our belief that it is imperative for Congress to take up and pass a Social Security reform bill in 2005. We have been actively advocating for reform through our *Generations Together* campaign.

Social Security has long been viewed as the critical underpinning of retirement security for America's seniors. There is no dispute today that this vital system is not on sound footing, and in fact is heading toward complete insolvency if action is not taken to save it.

Moreover, markets and the economy have changed dramatically since the social security system was established in the 1930's. Today, more and more Americans are encouraged to save for their own retirement, and become investors in and owners of their retirement accounts. Structural reform of Social Security is essential — it would give younger workers the opportunity to establish personal retirement accounts and build nest eggs that can be passed on to their heirs while assuring older Americans that nothing will change for them.

It is also essential that structural reform not be based on increases in taxes on employment. Today we are enjoying significant economic growth and sustained job creation. Increases in payroll taxes, either through rate increases or an increase in the amount of income subject to the payroll tax, would be a direct disincentive to job creation and a serious impediment to economic growth. This is especially critical to America's self-employed entrepreneurs who are obligated to pay both the employer and employee share of the tax.

We commend those in the Congress who have already announced support for structural Social Security reform and urge the Congress to act on a reform measure this year. There is no dispute today that our Social Security system is headed for a crisis. In fact, the Senate last month went on record with a vote of 100 to 0 regarding the

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urgent need for legislation to ensure the long-term viability of the Social Security program. There is also no doubt that the longer it takes Congress to pass legislation to address the problem, the more difficult and expensive it will be to find a solution.

Strengthening Social Security is a goal shared by everyone. The sooner all parties get to work in addressing the challenges confronting Social Security, the more secure all Americans will be in their retirement.

Thank you for your consideration.

THE CoMPASS STEERING COMMITTEE:

Derrick Max, Executive Director
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