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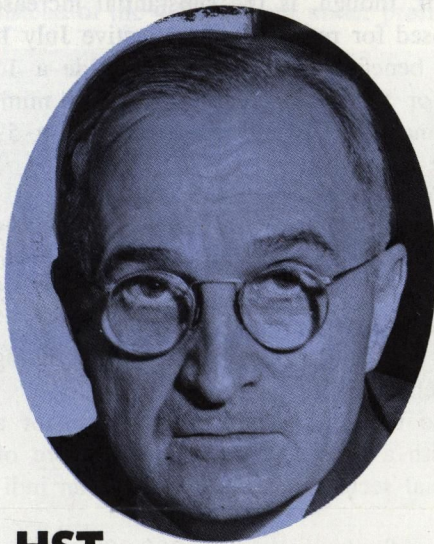
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FDR

... He shaped it



HST

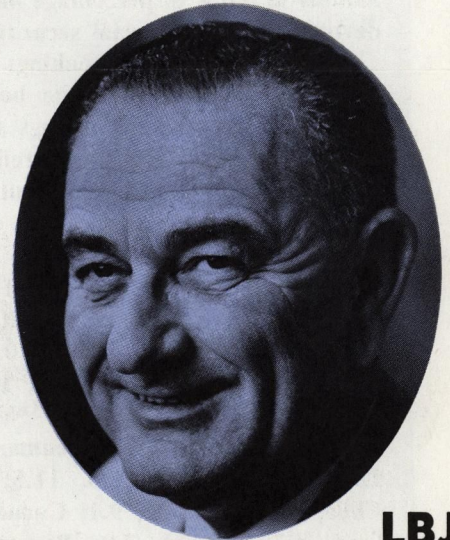


JFK

... They enlarged it

It's Better Than Money in the Bank

(See Inside)



LBJ

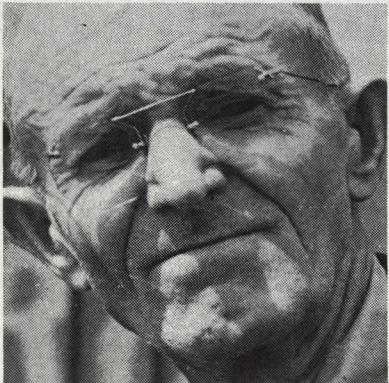
... Gives it new scope

Social Security: Priority Proposal

Most Americans don't grow old rich. Many grow old poor. One thing is certain: Short of a personal or global catastrophe, we will all grow old.

When we do, it'll be good to have a cushion. Few of us in our working years can pad one out enough for comfort. We're not coupon clippers. Savings are lean.

In America, the one sure cushion is social security. Thirty years after enactment, it's still a thin one.



Franklin Roosevelt shaped it. Harry Truman and John F. Kennedy enlarged it. Now, Lyndon Johnson — following up his medicare program of two years ago—seeks the biggest single increase in social security benefits since the program has been

on the books. He wants to give new scope to a program that lags badly behind need.

The boost LBJ put before Congress recently would up benefits 15 percent for most retirees, 59 percent for those receiving minimum benefits. It amounts to an

We're Way Behind

Even if the President's proposed program passes, the U.S. still would be behind many other nations in terms of percentage of national income devoted to general social security services.

According to the Brookings Institution, the U.S. is now third from the bottom among 22 nations studied. The Brookings study includes in social security services public relief, public health and several other programs, but the bulk is old age insurance, the heart of our own social security program.

Following is the percentage of national income devoted to over-all social security services in the 22 nations studied: Germany, 20.8; France, 18.9; Austria, 17.6; Belgium, 16.3; Italy, 15.2; New Zealand, 13; Sweden, 12.9; Netherlands, 12.3; United Kingdom, 12.1; Denmark, 12; Finland, 12; Republic of Ireland, 11.5; Norway, 10.1; Chile, 9.7; Australia, 9.1; Canada, 8.7; Switzerland, 8.7; Iceland, 7.9; Portugal, 6.5; United States, 6; Japan, 5.8; South Africa, 4.5.

over-all average increase of 20 percent.

The measure will need all the support we can give it, particularly in view of the changed arithmetic of the new Congress. It could emerge as the most important social welfare issue of this Congress, for, as proposed, the President's program projects a fuller measure of security to those now old who have worked a lifetime—and, as important, to those still young who will.

The Specifics Of LBJ Plan

President Johnson's proposals range widely through the social security program, updating and grading many of its features.

The heart of it, though, is the substantial increase in benefits proposed for retirees to be effective July 1, 1967. For most beneficiaries, it would provide a 15 percent boost. For those receiving the present minimum of \$44 a month, it would shoot to \$70, a 59 percent rise. The over-all average is 20 percent.

The President's specific proposals are these:

- ▶ A 59 percent increase for the 2.5 million elderly and disabled now receiving minimum benefits—to \$70 a month from \$44 for an individual and to \$105 from \$66 for a married couple.
- ▶ A boost of at least 15 percent for the remaining 20.5 million beneficiaries.
- ▶ An increase to \$150 a month minimum for a retired couple with a record of 25 years or more of payment into social security, and to \$100 for an individual.
- ▶ A rise in benefits for more than 900,000 persons 72 and older who have paid little or nothing into the fund—to \$50 from \$35 for an individual, to \$75 from \$52.50 for a couple.
- ▶ Special benefits for 200,000 persons 72 and older who've never received benefits before.

The President made these other proposals to improve and extend the program:

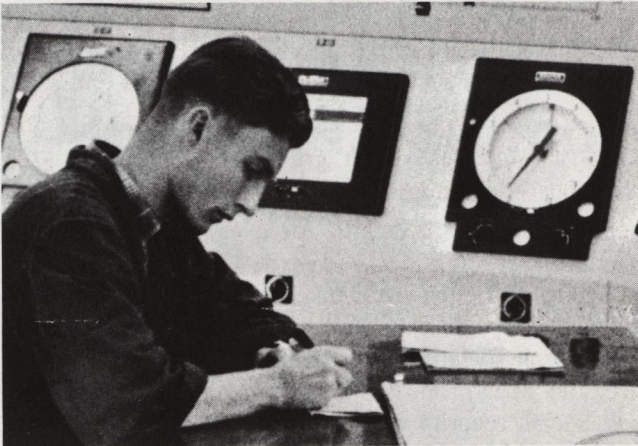
- ▶ Benefits for severely disabled widows under 62 who now have no protection.
- ▶ A 12 percent increase in the amount a retiree can earn without suffering benefits cuts—to \$1,680 from the present \$1,500 a year. In addition, a boost to \$2,880 from \$2,700 in the amount above the \$1,680 up to which a beneficiary can retain \$1 in payments for every \$2 in earnings.

Young Pup, Old Gaffer—Both Benefit

Whether you're a young pup or an old gaffer, the President's social security proposals are better than money in the bank. But, they'll also cost you a few bucks.

To finance proposed boosts in benefits, President Johnson has called for:

- A three-step increase from the present \$6,600 in the amount of annual earnings on which you pay social security tax—to \$7,800 in 1968, \$9,000 in 1971, \$10,800 in 1974.
- A rise in the social security tax rate from the present 3.9 percent (plus one-half of one percent for medicare) to 4.5 percent in 1969 instead of the 4.4 percent under present law, and to five percent in 1973 instead of the 4.85 percent under present law.



FOR YOUNG WORKER ... Better than money in the bank

This means that by 1974 you'll be paying less than one-fifth of one percent more than present law will require—however on an expanded tax base—in return for about 15 percent boost in benefits.

What does the gobbledygook of figures mean when reduced to what you get for what you pay in? In round figures, it means you get in benefits, under the Presi-

(Continued on Page 4)

What You Would Get

Following are the monthly social security cash benefits under present law and under President Johnson's proposal:

| Monthly Average Earnings | Retired or Disabled Worker* | | Retired or Disabled Worker & Wife* | | Widow Age 62 or Over | | Young Widow And 1 Child | |
|--------------------------|-----------------------------|----------|------------------------------------|----------|-----------------------|----------|-------------------------|----------|
| | Present | Proposed | Present | Proposed | Present Sole Survivor | Proposed | Present | Proposed |
| Minimum Benefit | \$ 44.00 | \$ 70.00 | \$ 66.00 | \$105.00 | \$ 44.00 | \$ 70.00 | \$ 66.00 | \$105.00 |
| \$100 | 63.20 | 72.70 | 94.80 | 109.10 | 52.20 | 70.00 | 94.80 | 109.10 |
| 150 | 78.20 | 90.00 | 117.30 | 135.00 | 64.60 | 74.30 | 117.40 | 135.00 |
| 200 | 89.90 | 103.40 | 135.90 | 155.10 | 74.20 | 85.40 | 135.00 | 155.20 |
| 250 | 101.70 | 117.00 | 152.60 | 175.50 | 84.00 | 96.60 | 152.60 | 175.60 |
| 300 | 112.40 | 129.30 | 168.60 | 194.00 | 92.80 | 106.70 | 168.60 | 194.00 |
| 350 | 124.20 | 142.90 | 186.30 | 214.40 | 102.50 | 117.90 | 186.40 | 214.40 |
| 400 | 135.90 | 156.30 | 203.90 | 234.50 | 112.20 | 129.00 | 204.00 | 234.60 |
| 450 | 146.00 | 167.90 | 219.00 | 251.90 | 120.50 | 138.60 | 219.00 | 252.00 |
| 500 | 157.00 | 180.60 | 235.50 | 270.60 | 129.60 | 149.00 | 235.60 | 271.00 |
| 550** | 168.00 | 193.20 | 252.00 | 283.20 | 138.60 | 159.40 | 252.00 | 289.80 |
| 650 | 168.00 | 221.00 | 252.00 | 311.00 | 138.60 | 182.40 | 252.00 | 331.60 |
| 750 | 168.00 | 248.00 | 252.00 | 338.00 | 138.60 | 204.60 | 252.00 | 372.00 |
| 900 | 168.00 | 288.00 | 252.00 | 378.00 | 138.60 | 237.60 | 252.00 | 432.00 |

* Assumes that retired worker and wife are age 65 or over when benefits start.
** Maximum taxable under present law.

Young, Old Benefit From LBJ Proposal

(Continued from Page 3)

dent's proposals, \$15 extra for every \$100 presently available.

Getting down to cases, take this example. If you're 35, married, with two children under five, and have been paying social security on the full \$6,600 taxable base, the new proposals mean (figures approximate):

1. Social security now represents a total of more than \$200,000 worth of over-all insurance protection.

2. In life insurance alone, it is worth more than \$90,000. If you die, your wife will get more than \$300 a month until your older child reaches 18, and a slightly reduced amount until your youngest child reaches 18. When your wife reaches 62, she can receive more than \$160 a month until death.

3. If you become permanently or totally disabled, the new proposals could be worth more than \$80,000 as disability insurance. You and your family could draw more than \$300 a month until your older child reaches 18, a slightly reduced amount until the younger child does, and a slightly reduced amount after that as long as you live.

4. Social security also provides for disability insurance for your children.

But the program is far more than insurance against death or disability. It is hard cash in the form of retirement pay, the heart of the program.

When you retire at 65—under the President's proposals—you will draw for you and your wife more than \$350 a month. If you survive to 75—which is common today—you will have collected more than \$40,000 from the program.

No program of insurance available on the open market—none, at least, that most Americans could pay

for—provides protection comparable to the social security program. For a person of 35 today, a simple \$10,000 life insurance policy alone would exceed \$200 a year. Retirement programs that provide income comparable to social security retirement benefits would cost roughly one-third more than social security.

There's More To the Package

In addition to social security benefit improvements, President Johnson proposed a broad program of legislation to meet other needs of the aged. It included:

- Public Assistance—Requiring state welfare agencies to give welfare recipients cash payments that at least meet the state's own minimum standards for subsistence.

- Medicare—Extension of medicare to the 1.5 million disabled under 65 now covered by the social security and railroad retirement systems.

- Taxes—A complete overhaul of the tax structure for elders to make it simpler and fairer, and elimination of existing tax discrimination against senior citizens who are willing and able to work.

- Nursing and Health Care—Assistance to states and communities in health planning for the elderly, special pilot projects to bring comprehensive medical and rehabilitation services to the aged, expansion of visiting nurse and other home health services, and research into the best way of organizing, delivering and financing health services needed by the elderly.

- Discrimination—A law prohibiting "arbitrary and unjust" job bias because of age, covering workers 45 to 65 years old, including conciliation and court enforcement if necessary.

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