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NEWS RELEASE

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MATSUI: SOCIAL SECURITY GUARANTEE CERTIFICATES ARE A CAVALIER RESPONSE TO A SERIOUS ISSUE

WASHINGTON, D.C. – Today Congressman Robert Matsui (D-CA) expressed disappointment at a Republican proposal to mail "Benefit Guarantee Certificates" to Social Security beneficiaries. Rep. Matsui is the Ranking Member on the Social Security Subcommittee of the House Ways and Means Committee.

"Social Security affects millions of Americans across all generations, and here we are talking about proposals that will do absolutely nothing to address such a fundamental issue," said Matsui. "Social Security's financing challenge is a very serious matter and it requires a serious approach. Mailing out meaningless certificates to seniors is a blatant attempt to provide political cover in an election year. It is a cavalier response to a serious issue."

Recently, GOP leaders have called on members of their party to push Social Security privatization leading up to the midterm Congressional elections in November. One proposal is to mail certificates to Social Security recipients that would claim to guarantee benefits for life. However, a detailed Congressional Research Service analysis shows that such a guarantee would be meaningless, and that any future Congress must retain the legal authority to change laws as they see fit. According to the report, the certificates do not constitute a legal contract, and the holder would have no legal property rights to benefits. Hence, the certificates, which would be mailed at an taxpayer expense, would do nothing other than restate current law.

"Social Security is going to face financial challenges as the baby boom generation retires. Republicans are pushing for privatization, which would take money out of the program and make the financial problems worse. Privatization would also lead to massive benefit cuts, and rely on non-existent general revenues to finance private accounts," explained Matsui. "The numbers do not add up. The answer is not to print phony coupons and hope that voters won't notice."

"I am pleased that Republicans want to join this debate," continued Matsui. "The American people deserve a fair and honest explanation of the costs, risks, and overall effects of various privatization schemes. Right now we are wasting time with meaningless stunts. I am looking forward to having a real debate on this issue in the coming months."

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