

SENATE FINANCE COMMITTEE SUMMARY—Continued

PROPOSAL ¹	EXAMPLES OR COMMENTS	RECOMMENDED BY
Tighten eligibility requirements.	(a) lengthen waiting period for disability benefits (b) tighten "recency of work" test for disability benefits. (c) pay children's benefit only when parent retires at 65 or older (rather than at 62). (d) pay parent's benefits only till oldest child is 15 or 16 (rather than 18).	Provision d is contained in the Pickle bill, provisions a & c are contained in the Administration bill; provision b is contained in Finance committee reconciliation bill.
Alter age of eligibility for benefits.	Raise age at which full benefits are payable to retirees; make children's benefits payable only until 18 rather than 22 (eliminate student benefit); make benefits payable to spouses and surviving spouses at 62 or 64, not earlier.	Raising the retirement age is contained in the Pickle bill and the Chiles bill, and has been recommended by the Advisory Council and the National Commission.
Tighten (or postpone) liberalization of retirement earnings test. Reduce weighting of benefit formula.	Delay the scheduled reduction (from 72 to 70 in 1982) in the exempt age. Would reduce the high marginal benefit rate paid on low average earnings, thereby reducing some of the "welfare" aspects of social security.	Contained in the Pickle bill.
Modify indexing of wage histories (used for determining average earnings in covered employment). Modify indexing of bendpoints in benefit formula (on a temporary or permanent basis).	(Affecting General Beneficiary Population) Convert to price indexing (could eliminate most of the long-term deficit). Convert to price indexing (could eliminate entire deficit). ² Index at some fraction of actual wage growth (could eliminate most or all of the deficit if done only temporarily). Freeze bendpoints temporarily.	Recommended by expert Consultant Panel to Finance Committee in 1976. Temporarily indexing bendpoints at half the growth of average wages is the major provision in the Administration bill to alleviate long-term deficits. Price indexing bendpoints was recommended by expert Consultant Panel to Finance Committee in 1976.
Modify cost-of-living adjustment (COLA).	Defer timing of payment from July to October. Adjust to lower of the increase in wages or prices. ³ Place a cap on the COLA. Use a different measure of "cost-of-living." ⁴	The Pickle bill and the Administration bill both contain provisions to defer the timing of payment. The National Commission recommends adjusting on the basis of the lower of wages or prices, with "catch-up" provisions.
Tighten insured status requirements for the primary worker.	Eliminate currently insured status; tighten definition of quarter of coverage; require greater proportion of covered equipment.	(Administration bill and Finance committee reconciliation bill tighten requirements for disabled workers.)
Reduce number of "dropout years" in calculation of average earnings (used for determining benefits).		

IV. OTHER KEY POLICY ISSUES

PROPOSAL	COMMENTS	RECOMMENDED BY
Encouraging delayed retirement—increase delayed retirement credit—eliminate or phase-out retirement test.	These proposals involve costs to the system.	A liberalization of the test is recommended by the Advisory Council, the National Commission, and provisions for phasing out or eliminating the test are contained in the Chiles bill and the Administration bill.
Modifying treatment of women.	These proposals generally cost the system and often exacerbate existing inequities or create a different set of inequities in the system.	Addressed in a very limited way by the Pickle bill and recommended by the Advisory Council.
Cutting the payroll tax.		Contained in Administration bill and Conable bill.

¹ The significance of the provisions for achieving near-term savings depends on how quickly they are phased in and whether or not they affect people currently on the benefit rolls.

² With the exception of COLA, each of these proposals affects benefits for the primary worker and therefore affects all other beneficiaries. Changes in COLA directly affect all beneficiaries.

³ The financial effect of these proposals depends on whether they are utilized on a temporary or permanent basis and whether or not poor economic conditions are assumed to prevail (i.e., the worse the economic conditions, the greater the savings associated with pegging the COLA to the lower of wages or prices.)

Mr. MITCHELL. Mr. President, I am pleased to join in sponsoring this amendment.

Senator MOYNIHAN should be congratulated for the leadership role he has assumed on this issue. He was presented the issue in a clear and informed manner, in a way that does not create panic among current beneficiaries and workers approaching retirement age.

The fact of the matter is that the combination of the benefit cuts included in the reconciliation bill and interfund borrowing is sufficient to take care of any financing problems that the system may face for two or three decades. This is true whether one is using the administration's budget forecast or the more

reasonable projections by the Congressional Budget Office.

Adoption of this amendment would take care of the short-term cash-flow problem facing the system. The Congress would be able to evaluate the long-term problems facing the system, which are serious and deserve careful attention, in a calmer atmosphere. Under this alternative, the elderly could feel secure that their benefits will not be the targets of short-term budget-balancing efforts.

The administration has chosen a different approach. It is using a very pessimistic set of economic assumptions and the long-term financing problems of social security to justify massive

benefit cuts beginning next year, particularly for early retirees. This is clearly a ruse. The real purpose of the administration's actions is to create a crisis atmosphere in which it can justify substantial cuts in the most important of the "safety net" programs in order to reach its balanced budget goal in 1984.

The Senate wisely rejected this approach unanimously just a few weeks ago. Yet the administration still insists on its package. The Senate should take this opportunity to reject this unwise proposal once more and take a constructive step that resolves the short-term financing problem.

Mr. KASTEN. Mr. President, I intend to vote to table the Moynihan social se-

curity amendment. The social security trust fund is in serious trouble, and the problem will not be solved by passing a last-minute rider to a tax bill. The Senate Finance Committee has already held a series of extensive hearings on social security. The committee plans to report a comprehensive package of reforms to insure a solvent retirement fund not only in 1982 and 1983, but well into the future.

The House Social Security Subcommittee has already begun markup of a major financing package. It is clear that Congress is committed to quick action—not temporary or piecemeal action, but action that deals with both the short- and long-term financing problems.

I will vote against the Moynihan amendment, not only because it is irrelevant to the pending tax legislation but because it could have serious and unintended consequences.

Under this amendment, the old-age and survivors trust fund would be authorized to borrow—interest free—from the disability insurance or the hospital insurance trust fund whenever its assets fell below 3 months worth of benefit payments. This borrowing would be authorized only for the OAST trust fund and only until the end of 1986.

According to Robert Myers, Deputy Commissioner of Social Security, and past Chief Actuary of the Social Security Administration, this borrowing would totally deplete the disability and hospital insurance trust funds by 1985, even under optimistic economic assumptions. This surely cannot be the Senator from New York's intention, but it illustrates the dangers in trying to legislate such a complex matter at the last minute, during the consideration of a major tax-cut bill.

Interfund borrowing is an attractive and serious option, and may well become part of our social security reform package. It should, therefore, be given a chance as part of the comprehensive social security reform package, and should be kept out of the tax bill before us today.

Mr. DOLE. Mr. President, I yield the remainder of my time to the distinguished majority leader.

Mr. MOYNIHAN. Mr. President, if I have such time, I yield it to the majority leader.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Senator from New York and I thank the Senator from Kansas.

Mr. President, I would like to take this moment to address the pending amendment by the distinguished Senator from New York (Mr. MOYNIHAN). He is not only a very distinguished representative of his State, but a good friend and a good colleague. Therefore, it is with great personal regret that I announce that I oppose this amendment.

First, I believe that this amendment is not the solution to the grave problems facing the social security system. The Commission on Social Security has

recently confirmed the Reagan administration's previous warnings—the social security system will be broke as early as next year.

While Senator MOYNIHAN's amendment may postpone that event for several months, it will in no way prevent the inevitable. At some point in the near future, we will simply not be able to meet our commitments to our retirees. Moreover, the amendment intrinsically jeopardizes the present solvency of the other system funds, particularly the hospital insurance trust fund.

Second, I firmly suggest that this is neither the time nor the posture to be addressing this issue. We are presently in the process of formulating a badly needed tax reduction package to help revitalize our beleaguered economy. Such is not the forum for a debate on social security.

I have stated on numerous occasions that we must and we will address the critical problems of the retirement system. It is a commitment that I have made to this body, to the administration, and to the American people. Only through a complete examination of this dilemma will we be able to forge both a short-term and a long-term response.

Mr. President, in that connection, I seek a bipartisan solution to this issue. I now express my appreciation to the distinguished Senator from New York, the Senator from Louisiana, the Senator from Colorado (Mr. ARMSTRONG), and the distinguished chairman of the Finance Committee for agreeing to explore the possibility of a bipartisan solution to the social security dilemma and I look forward to their future deliberations.

At this point, Mr. President, I must express my opposition to this amendment.

The time now having expired for debate on this amendment, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from New York. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI), is absent due to a death in the family.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Ohio (Mr. GLENN), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "nay."

The PRESIDING OFFICER (Mr. D'AMATO). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 51, nays 45, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—51

Abdnor	Grassley	Packwood
Andrews	Hatch	Percy
Armstrong	Hatfield	Pressler
Baker	Hawkins	Quayle
Boschwitz	Hayakawa	Roth
Chafee	Heinz	Rudman
Cochran	Helms	Schmitt
Cohen	Humphrey	Simpson
D'Amato	Jepson	Specter
Danforth	Kassebaum	Stafford
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Durenberger	Lugar	Thurmond
East	Mattlingly	Tower
Garn	McClure	Wallop
Goldwater	Murkowski	Warner
Gorton	Nickles	Weicker

NAYS—45

Baucus	Exon	Metzenbaum
Bentsen	Ford	Mitchell
Biden	Hart	Moynihan
Boren	Hefflin	Nunn
Bradley	Hollings	Pell
Bumpers	Huddleston	Proxmire
Burdick	Inouye	Pryor
Byrd	Jackson	Randolph
Harry P., Jr.	Johnston	Riegle
Byrd, Robert C.	Kennedy	Sarbanes
Chiles	Leahy	Sasser
Cranston	Levin	Stennis
DeConcini	Long	Williams
Dixon	Mathias	Zorinsky
Dodd	Matsunaga	
Eagleton	Melcher	

NOT VOTING—4

Cannon	Glenn	Tsongas
Domenici		

So the motion to lay on the table Mr. MOYNIHAN's amendment (No. 489) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, a parliamentary inquiry. What is the pending business?

AMENDMENT NO. 488

The PRESIDING OFFICER. The pending question before the Senate is amendment No. 488, offered by the Senator from Kansas.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please come to order. Senators will clear the well.

Mr. CHAFEE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please come to order. Senators wishing to carry on conversations will please retire to the cloakroom.

The Senator from Rhode Island has the floor.

Mr. CHAFEE. Mr. President, I oppose the pending amendment. This is not part of the bill. This is an amendment that was proposed in the committee. It was not adopted unanimously. In my judgment, this is a very ill advised amendment.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please come to order. Senators should have an opportunity to make their presentations.