

House Concurrent Resolution No. 8

93RD GENERAL ASSEMBLY

0702L.011

Whereas, Social Security is a federal program that does not recognize the
2 retirement needs of many Missourians; and
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Whereas, Social Security tax revenues alone will not be sufficient to pay current
4 benefits as early as the year 2015 and moneys in the Social Security Trust Fund may be
5 completely exhausted by the year 2037; and
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Whereas, since the investment return on Social Security contributions made by
8 workers today is significantly below that available from other sources, workers deserve the
9 opportunity to invest more productively for their own retirements. More retirement investment
10 opportunities may dramatically increase workers' savings rate and retain more young adults who
11 otherwise would leave the state for jobs elsewhere; and
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Whereas, the unfunded liability of the Social Security system exceeds nine trillion
14 dollars according to the Chairman of the Federal Reserve System; and
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Whereas, while many workers are already facing very low or even negative rates
17 of return on their lifetimes of Social Security contributions, the aging of the United States
18 population means that fewer and fewer active workers will be supporting more and more retirees
19 under today's pay-as-you-go financing for Social Security; and
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Whereas, the ratio of retirees to workers has decreased from 42-to-1 in 1935 when
22 the program first started, to less than 3-to-1 today and soon will fall to less than 2-to-1; and
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24

25 **Whereas**, raising payroll or income taxes to compensate for this demographic
26 shrinkage will mean that today's workers receive an even lower return on their federal retirement
27 contributions than they do now and broadly cutting Social Security benefits also would decrease
28 rates of return; and
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30 **Whereas**, states and localities that permit their own employees to invest a portion
31 of their taxes for retirement have shown that workers can do better for themselves with such
32 accounts than under Social Security; and
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34 **Whereas**, an increasing number of countries, including Australia, Chile, Mexico,
35 Poland, Hungary, Khazakstan, Sweden, and the United Kingdom, now permit their citizens to
36 allocate their taxes to such personal retirement accounts; and
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38 **Whereas**, the Social Security Trustees have consistently and repeatedly stated in
39 their annual reports that the Social Security system will not be able to deliver on its long-term
40 promises under its current financing scheme; and
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42 **Whereas**, the public, especially younger people, are therefore rightfully suspicious
43 of Social Security's ability to deliver on its long-term promises to them; and
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45 **Whereas**, bipartisan Social Security reform proposals now before the United States
46 Congress would address these problems by creating a system of personal accounts with a portion
47 of Social Security taxes; and
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49 **Whereas**, the Social Security Administration's own actuaries have judged these
50 bipartisan proposals to be fiscally sound for the next seventy-five years; and
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52 **Whereas**, these proposals would reduce or eliminate the pressure for higher taxes
53 or broadly reduced benefits while reducing Social Security's unfunded liability, but the proposals
54 would not affect people in or near retirement or those eligible for or drawing Social Security
55 disability benefits; and
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57 **Whereas**, the United States Congress has not been able to pass meaningful Social
58 Security reform; and
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60 **Whereas**, the State of Missouri has shown that it invests in a fiscally responsible
61 manner and is capable of administering pension programs; and
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63 **Whereas**, the citizens of the State of Missouri deserve better than what Social
64 Security can deliver:
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66 **Now, therefore, be it resolved** that the members of the House of
67 Representatives of the Ninety-third General Assembly, First Regular Session, the Senate
68 concurring therein, hereby urge the United States Congress to enact legislation amending the
69 Social Security Act and other federal statutes to permit the citizens of the State of Missouri to
70 voluntarily opt-out of the federal Social Security system and invest their Social Security taxes
71 in personal retirement accounts that they themselves would own and control, with the retirement
72 accounts and investments to be approved by the State Treasurer's Office and the program to be
73 modeled in a manner similar in concept to the Missouri Saving for Tuition 529 program; and
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75 **Be it further resolved** that the Chief Clerk of the Missouri House of
76 Representatives be instructed to prepare properly inscribed copies of this resolution for the
77 President of the United States, the President of the United States Senate, the Speaker of the
78 United States House of Representatives, and each member of the Missouri Congressional
79 Delegation.