CITY OF FERNDALE

SOCIAL SECURITY RESOLUTION

Moved by Councilman Galloway, supported unanimously, to adopt the following Resolution:

Social Security's income protections-guaranteed, lifelong benefits, cost-of-living adjustments to guard against inflation, increased benefits for families, greater income replacement for low-income workers, and disability and survivor benefits, which are the backbone of retirement security and family protection in the United States; and

Social Security provides crucial, often indispensable income protection for the 47 million individuals-one of every six Americans-receiving benefits; and

Social Security benefits have been paid by Ferndale residents and remain a vitally important economic necessity for the current and future well being for the 22,105 residents who call Ferndale home; and

In Michigan, 1.7 million residents receive Social Security benefits for an average of $874 per month. Of these, 202,770 are disabled and 256,000 are survivors. Benefits to all three of these groups would be reduced under privatization; and

Social Security actuaries say benefits can be paid until 2042 with no changes and raising the cap on taxable income (now $90,000) to $140,000 would provide almost one-third of the solvency needed for 75 years; and

In England where privatization took place in 1986 at a cost of $30 billion, government regulators now admit that at least 1.7 million Britons were duped; insurance companies have been fined more than $3 billion (few have paid). Courts have upheld more than 50,000 convictions for fraud and 400,000 cases are being investigated. In Chile, employers who formerly paid two-thirds of the pension-health program, now pay nothing. Individuals pay it all. The value of all privatized stock accounts have fallen and two-thirds of Chileans workers, experts predict, will never qualify for even a minimum poverty-level pension; and

Administrative costs of handling private accounts could be as high as 17%; Social Security administrative costs are less than 1%; and

Cutting guaranteed benefits will hurt the elderly because Social Security provides at least half the income for nearly two-thirds of older Americans and lifts more than 11 million seniors out of poverty; and

Cutting guaranteed benefits will particularly hurt women and people of color, as they are especially likely to rely on Social Security for most of their retirement income and are less likely than average to receive job-based pensions in retirement; and

Diverting resources from Social Security to fund private accounts will threaten guaranteed survivor and disability benefits, thus harming working families-particularly African-Americans-, roughly one in five workers dies before retiring and nearly three in 10 become too disabled to work before reaching retirement age; and

Congress should not rush through drastic and damaging changes in Social Security that undermine its family income protections but instead, should take the time needed to develop careful and thoughtful reforms that address Social Security's funding needs without slashing benefits or exploding the deficit:

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the City of Ferndale requests

(1) Congress should first commit to repaying all of the money borrowed from the social security Trust fund, so that Americans can be paid the Social Security benefits they have paid for;

(2) Congress should carefully consider prudent changes that will strengthen Social Security's finances, to ensure the program continues to meet its purpose of providing income protection and economic security for America's families; and

(3) Any changes adopted by Congress must strengthen Social Security's family income protection without significantly reducing guaranteed benefits or increasing the budget deficit; and

(4) Congress should reject any proposal that diverts money out of Social Security to fund private accounts; and

(5) In regards to the War in Iraq, Congress should institute a war tax to cover the costs of the war, thereby lessening the need to raid the funds of other domestic programs, including the Social Security Trust Fund, to cover the cost of the war.

BE IT FURTHER RESOLVED, that the Ferndale City Council declares its opposition to the privatization of America's Social Security program and that we notify our U.S. Senators Carl Levin and Debbie Stabenow, and our U.S. Representative Sander Levin, to stand firm and oppose any legislation that would privatize Social Security.

ADOPTED UNANIMOUSLY

I, Karen Pedro, City Clerk of the City of Ferndale, certify that this is a true and compared copy of a Resolution duly made and passed by the Ferndale City Council at a meeting held June 13, 2005.

Karen Pedro

Karen Pedro, City Clerk