August 18, 2020

The Honorable Steven T. Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC, 20220

Dear Secretary Mnuchin:

On behalf of our 38 million members and all older Americans nationwide, AARP writes to urge the Treasury Department and the Administration to rethink its attempt to provide economic stimulus to American workers via a payroll tax deferral. While we agree that economic help for families impacted by the coronavirus is needed, AARP has serious concerns regarding the Administration’s decision to suspend the collection of payroll taxes, which potentially undermines Social Security’s long-term finances.

Social Security is arguably the most important and successful program in our nation’s history. It is the largest source of retirement income for most Americans and provides nearly all income (90 percent or more) for one in four seniors. It also provides important protections for spouses, survivors of deceased workers and those with disabilities. The American public overwhelmingly supports Social Security, and that support remains high across party lines and age groups.

As we stated in a letter to President Trump last week, AARP believes that suspending, reducing, or eliminating the contributions to Social Security made through the payroll tax will interfere with Social Security’s long-term funding stream. This is consistent with the concerns we addressed to President Obama in 2012, that payroll tax holidays “undermine confidence in Social Security and put at risk the program’s dedicated funding stream and the hard-earned benefits of millions of Americans and their families.”

If the Administration continues its efforts to allow American workers to defer payroll taxes, AARP urges the Administration to ensure two things. First, AARP believes the payroll tax deferral established by the recent Executive Action must remain temporary. And second, it is imperative the Administration ensure Social Security’s Trust Funds are held harmless from the loss of payroll contributions and interest due to the Executive Action.
Once again, while AARP appreciates the need to provide assistance to Americans struggling with the economic consequences of the pandemic, we urge the Administration to pursue alternative approaches that do not undermine confidence in the long-term stability of the Social Security system. If you have any questions, please feel free to contact me or have your staff contact Tom Nicholls of our Government Affairs team at tnicholls@aarp.org or 202-434-3765.

Sincerely,

Nancy A. LeaMond
Executive Vice President and
Chief Advocacy and Engagement Officer