REPEAL OF SOCIAL SECURITY EARNINGS LIMIT

Mr. ASHCROFT. Mr. President, as has been noted, we will be dealing today with the repeal of the Social Security earnings limit. I think individuals on both sides of the aisle are eager to deal with this kind of legislation.

What is the earnings limit? The earnings limit is simply a way of saying that if citizens between 65 and 69 years of age earn over a modest amount of money when they earn outside income by working, the Government deducts from their Social Security $1 for every $3 they earn; that is, for $1 over $17,000, the Government reduces the benefits $1 for every $3 of earnings.

This makes it very difficult for a number of people who are between 65 and 70 years of age, who want to be able to sustain themselves, who want to be able to help their families, who want to be able to remain independent and not dependent on Government. Yet Government has this rather onerous discriminatory effect on their work habits. It says if you earn money, we are going to take money away from what you have previously earned as a Social Security benefit.

The earnings test is a misguided and outdated relic of a time when jobs were scarce, unemployment was high, when people did not live as long and healthy lives as they do today. It is clearly a disincentive for seniors to work. By telling seniors if they work hard and earn money, we will just take it away from them or we will deduct it from their Social Security, we are saying: Seniors need not apply; seniors need not aspire to a better life; seniors need not expect to remain independent—all of which are the wrong statements for us to be making to our seniors.

There are a great number of seniors who are working anyhow and paying a penalty for working. It seems strange that in a country that needs workers, we are asking people to pay a high penalty for working: 1.2 million working seniors are penalized now; 17,523 working seniors in Missouri suffer losses in their Social Security as a result of their industry, their willingness to work. But the actual number of seniors affected by this pernicious idea of discriminating against seniors in the workplace is much greater than this 1.2 million nationwide or 17,523 in the State of Missouri. There are millions of seniors who choose not to work or choose to work only a small amount because they don't want to work in such a way that it will erode, undercut, undermine, or diminish their Social Security income.

Keeping seniors out of our workforce has a serious consequence. It is against our best interest to remove the kinds of things seniors bring to the workforce. They are great workers. They are skilled workers. They are workers of value and experience. The current unemployment rate of 4 percent indicates to us that we need skilled and experienced workers. Seniors are highly valuable members of the workforce. Their continuing contributions are crucial. The only limit to what they have to offer is the earnings limit. We should not limit what good people can offer to this country.

I have spent quite a bit of time in my home State of Missouri talking with constituents. There are real life examples. Beverly Paxton from Belton, MO, who represents the Green Thumb organization, says hundreds of seniors would be eager to work without the earnings test. Furthermore, some don't try to work for fear that the Social Security Administration might take benefits away. Seniors don't want to have to visit a CPA to find out whether if they go to work they will lose benefits or be taxed at such a high rate that working will actually end up costing them money.

Many more limit their hours to avoid the Social Security earnings test and its application which would result in the deduction of Social Security benefits. A manufacturer from Belton, MO, said to me: Seniors work until they reach the income limit. Then they tell the employer: I won't be here next week; I will see you next January.

Well, what does this do to our situation where we want people to be able to work with continuity and our manufacturers and our enterprises to be able to provide service with continuity?

Here we have an employer who is left in the lurch, having to absorb training costs or heavy overtime costs because we have said to seniors: You cannot work on a regular basis if that regular basis carries you over the income limit. These decisions of people working for quite a bit of time and then precipitously dropping off or being underemployed by not working very much throughout the entire year are based on the arbitrary earnings test limit of the Social Security Administration which says if you pass a certain limit, we will start deducting from your Social Security check. Even when seniors work around the test, they suffer unexpected costs.

C.D. Clark from Florissant, MO, had earned $25,000 before trying to limit earnings to protect himself from the test. He had planned to work only 8 months so his Social Security benefits would not be cut; he would get himself down under the limit. The Social Security Administration, however, assumed he would earn the same amount, the $25,000 he had earned previously, and withheld his Social Security checks from January through March of this year. When Mr. Clark complained to the Social Security Administration that he had not reached the income limit of $17,000, he was told: We like to get our money up front—as if Social Security was their money, as if it were not a benefit for which Mr. Clark had paid years and years of taxes.

Not only do we find people harmed financially, but seniors express to me over and over again that their physical and mental well-being is pinned upon their ability to keep working. In St. Joseph, MO, working is a mental health issue. Seniors who don't work often lose their sense of self-worth. This point was not only made to me in my visit to St. Joseph but across the State. In Joplin, for example, I was given the same information.

To the extent that the earnings test keeps as many as 200,000 Missouri seniors from working, it harms the mental well-being of those 200,000 Missouri seniors who would like to be active. Over and over again, this was a refrain I heard from seniors: We want to work; we want to be active; we need to be.

The earnings test can threaten lives in other ways as well. Lois Murphy of St. Louis is 65 and works part-time as a registered nurse in the operating room at St. John's Mercy Medical Center. The hospital suffers from a labor shortage and needs help from women like Mrs. Murphy who are experienced, willing, and dedicated to work. She limits her hours because of the earnings limit. This takes a skilled, experienced, and needed worker out of the hospital, out of the capacity of caring for other individuals.

Mrs. Murphy wrote to me:

> The $17,000 limit a person could earn plus the small Social Security check is not enough to live comfortably and enjoy your senior years.

Mrs. Murphy neatly summarized this issue in one simple sentence:

> I think if a senior citizen at age 65 is willing to work, they should be able to earn a lot more or not have a limit.

Well, I believe Mrs. Murphy is right. Seniors should have the freedom to earn if they choose. The problem is that they don't have that choice. We must send the earnings test into retirement. We should retire the earnings test, not force the retirement of our senior citizens.

One of the business owners and operators I talked to put it this way: Seniors are able to work pretty aggressively through most of the year until they get up to the brink of the Christmas season when they really are needed. Then when they are intensely needed, the test kicks in and they have to check out.

Many seniors who want to work don't work because of the costs imposed by the earnings test. Take, for example, a senior in the 28-percent tax bracket. The earnings test kicks in. One out of every $3 is taken away from Social Security. That turns out to be another tax of roughly 33 percent.

Then if you add the 7.65-percent Social Security tax on the people, and a State income tax of, say, 6 percent, you get up to a 74- to 80-percent combined tax load on a working senior citizen. If they have any expenses of going to and from work, or wardrobe expenses associated with work, it could well be that the senior citizen actually loses money. The Government is so aggressive in reducing their ability to earn. The earnings test is pernicious and discriminatory toward seniors.

This is something we ought to address. I am delighted that the House has done so and that the President has signaled his agreement with what the House has done. I have been working on this since I came to the Senate in 1995. I voted to substantially increase the limit in 1997. I called for the elimination of the test and cosponsored legislation that would get rid of the test.

This year, I have introduced legislation that would eliminate the test. My bipartisan legislation has 43 cosponsors, including the entire majority leadership. There are a number of others, organizations and all, who have endorsed this concept, including Green Thumb, 60+, the Seniors Coalition, National Association of Home Builders, National Taxpayers Union, the U.S. Air Force Sergeants Association, Americans for Tax Reform, CapitolWatch, National Tax Limitation Committee, United Seniors Association, United Seniors Health Cooperative, and the U.S. Chamber of Commerce.

The point is, the House of Representatives recognized the value of this concept and unanimously voted to eliminate the earnings limit. The President has indicated he would sign clean legislation, unencumbered by extraneous amendments. I believe we should follow the lead of the House and do what the President is asking us to do—to deliver this measure which would eliminate the earnings test. It is something I have been working on now for years. It is a counterproductive, unfair penalty. I believe that, because the President is prepared to sign it, the Senate now needs to move forward and eliminate this out-of-date and costly impediment, this discrimination, this very serious problem for our seniors, which prohibits our culture from having the benefit and value of the best effort of many of our very best workers.

With that in mind, I look forward to the debate later today. I am pleased to have had this opportunity to address this issue.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate is now in a period of morning business.

THE JUVENILE JUSTICE CONFERENCE

Mr. LEAHY. Mr. President, I will speak on a matter involving the juvenile justice conference—or, perhaps more accurately, I should say the lack of a conference on the juvenile justice bill. It is a matter that concerns me greatly because I was the floor leader on this side and the distinguished Senator from Utah was the floor leader on the other side when we had over a week of debate on the juvenile justice bill. We had a very solid debate. We then passed the bill with 73 votes in the Senate. It went to conference, and it was like going into the Bermuda Triangle; we haven't seen it since.

Actually, this Congress has kept the country waiting too long for action on juvenile justice legislation and has kept the country waiting too long on sensible gun safety laws. We are fast approaching the first-year anniversary of the shooting at Columbine High School in Littleton, CO. It has been 11 months since 14 students and a teacher lost their lives in that terrible tragedy on April 20, 1999. It has been 10 months since the Senate passed the Hatch-Leahy juvenile justice bill. As I said before, it was an overwhelming vote of 73–25.

Our bipartisan bill includes modest—and I believe effective—gun provisions. It has been 9 months since the House of Representatives passed its own juvenile crime bill, which was on June 17, 1999. Then the leadership in the Congress delayed action on calling a conference all summer. It has been 8 months since the House and Senate juvenile justice conference met for the first and only time. The Republican majority in the Congress convened the conference on August 5, 1999. They did that less than 24 hours before the Congress adjourned for a month's vacation.

Now, you don't have to be a cynic to recognize this for what it was. It was a transparent ploy to deflect criticism for delay, but also to make sure the conference could not do anything. They would not have enough time to prepare comprehensive juvenile justice legislation to send to the President before school began in September. But we did have time to do it before children went back to school in January. We didn't do that. Now I wonder if we will ever do it.

The Senate and House Democrats have been ready for months to reconvene the juvenile justice conference. We have told the Republicans we would meet with them on a minute's notice. We want to work with Republicans to craft an effective juvenile justice conference report that includes reasonable gun safety provisions. But even though the Senate passed this legislation by a 3-to-1 majority, no conference; the Republican leadership has decided not to act.

I think this is particularly shameful because the Congress has spent more time in recess than in session during the last meeting of this conference. Think about that. We have been out on vacation more time than we have actually been here working since we had that last conference. Let's take a couple days off one of these recesses and have a conference.

Two weeks ago, the President invited House and Senate members of the conference to the White House, both Republicans and Democrats. He urged us to proceed to the conference and to have final enactment of legislation before the anniversary of the Columbine tragedy. Unfortunately, the Republican majority has rejected the President's plea for action. I think more than rejecting the President's plea for action, they have rejected the American people's plea.

On April 22 of last year, barely 2 days after the killings at Columbine High School, I came to the Senate to urge action. I praised the Democratic leader, Senator KENNEDY, and others for their thoughtful comments on these matters and for reaching out to the families of those who were killed that week. At that time, almost a year ago, I urged the Senate to rededicate itself to the work of assisting parents, teachers, the police, and others in stemming school violence. I suggested that S. 9, the Safe Schools, Safe Streets, and Secure Borders Act of 1999, provided a good place to start.

Responding to our efforts to turn the Senate's attention to the problems of school violence, on April 27 the Republican leader came to the floor and said if we withheld for 2 weeks, he could provide a legislative vehicle ''that we could take up, and the Senate would then have an opportunity for debate, have amendments, and have votes.''

Senator LOTT returned to the floor the following day to repeat his commitment to provide the Senate with the ''opportunity to debate and vote on those issues dealing with school violence.'' To Senator LOTT's credit, he proceeded to S. 254, the juvenile justice bill, which was then pending on the Senate calendar, and he did that on May 11. We then had 2 weeks of real debate on it—one of the few we have had recently—and then the Senate worked its way through this bill. The Hatch-Leahy juvenile justice legislation, which passed the Senate on May 20, passed with a strong bipartisan majority and 73 votes, with both Democrats and Republicans voting for it. No one should forget it was a Republican majority that decided to make the juvenile justice legislation the vehicle for the antiviolence amendments adopted by the Senate last May. Three-quarters of the Senate voted for our legislation.

Following the action by the other body, I urged a prompt conference on the juvenile justice legislation. I took the unusual step of coming to the Senate to propound a unanimous consent request to move to conference on the legislation, which initially encountered Republican objections. But eventually this request provided a blueprint for moving the Senate to agreeing to conference on July 28 of last year.

Unfortunately, that conference was convened for only a single afternoon—not with votes but of speeches. Democrats in both the House and Senate tried to offer motions about how to proceed to begin some of the discussion. But that was ruled out of order by the Republican majority.

Then I spoke on the floor several times last year—on September 8, September 9, and October 21—urging the majority to reconvene the juvenile justice conference. I joined with fellow Democrats to request, both in writing and on the floor, the majority to let us