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SJR-5 Social Security benefits: COVID-19. (2021-2022)

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Senate Joint Resolution No. 5

CHAPTER 181

Relative to Social Security benefits.

[Filed with Secretary of State September 13, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

SJR 5, Wilk. Social Security benefits: COVID-19.

This measure would urge the United States Congress to amend the United States Social Security Administration's index of earnings to ensure that a decline in aggregate wages due to COVID-19 does not result in decreased benefits.

Fiscal Committee: no

WHEREAS, Sixty-three million people collect Social Security benefits; and

WHEREAS, Sixty-three million people amounts to one in every six United States residents; and

WHEREAS, Social Security benefits lift more than 15,000,000 elderly individuals out of poverty; and

WHEREAS, Social Security is especially beneficial for minority demographics such as African Americans, Latinos, and women who all face higher rates of poverty and earn less than their White, male, working counterparts; and

WHEREAS, Social Security is also especially beneficial to African American and Latino men, as they are also more likely to become disabled while working; and

WHEREAS, The global COVID-19 pandemic has unearthed a technical glitch in the United States Social Security system; and

WHEREAS, If left unaddressed, this glitch may result in more than 8,000,000 workers, those who turn 60 years of age in 2020 or 2021, receiving substantially lower Social Security benefits than workers with identical earnings who turned 60 years of age in the years immediately prior to the COVID-19 pandemic; and

WHEREAS, Social Security's earned benefits are based on each worker's earning history adjusted to reflect the growth in aggregate economywide wages; and

WHEREAS, Social Security benefits are calculated individually and adjusted through the average wage index, which amounts to the total wages paid in the United States in a year, divided by the number of W-2 tax forms issued in that same year; and

WHEREAS, Due to the COVID-19 pandemic, tens of millions of Americans have filed for unemployment during the COVID-19 pandemic; and

WHEREAS, Due to high levels of unemployment, aggregate wage levels are expected to continue to decline substantially this year, which may result in lower adjusted benefits by as much as roughly 9 percent, or \$2,511 annually, for those workers who turn 60 years of age in 2020 or 2021; and

WHEREAS, A median income worker who turns 60 years of age in 2020 or 2021, retires at the normal retirement age of 67 years of age, and collects Social Security benefits for 18 years may lose \$45,859 over the course of their retirement; and

WHEREAS, A decline in overall wages due to a pandemic should not produce lower benefits for a select group of retirees; and

WHEREAS, Retirees use Social Security benefits to supplement their income and pay for things like rent, food, clothing, medication, health care, and transportation; now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That we urge the United States Congress to amend the United States Social Security Administration's index of earnings to ensure that a decline in aggregate wages due to COVID-19 does not result in decreased benefits; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, the Commissioner of the Social Security Agency, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Leader of the United States Senate, the Minority Leader of the United States Senate, and to each Senator and Representative from California in the Congress of the United States.