

>>> <DickYo@aol.com> 3/5/2007 3:43 PM >>>

Dear Sir; I have read FASAB's Social Insurance Preliminary View Document.

http://fasab.gov/pdf/files/socialinsurance_pv.pdf

I agree we have a disaster facing us, but am concerned that your Executive Summary merely addresses the confusing way the accounting is done.

My concern is that you, and many others, merely tell us how bad things are but don't propose any solutions. I feel strongly that we must take action, and some people will be hurt. Means Testing looks like one good solution. Attached is a copy of my proposal to Means Test Social Security. I am pleased that recently Means Testing was passed for Medicare B, but more has to be done.

I hope your organization will consider Means Testing as a partial solution to the problems facing not only Social Security, but also Medicare and Medicaid.

THE TIME FOR CONSTRUCTIVE ACTION IS NOW!

Sincerely, Richard B. Young.

A PROPOSAL TO SAVE SOCIAL SECURITY BY MEANS TESTING OF BENEFITS

1/19/2007

SOCIAL SECURITY WAS DESIGNED TO KEEP SENIORS FROM BECOMING DESTITUTE IF THEY COULD NOT, OR HAD NOT PROVIDED FOR THEIR SENIOR YEARS.

A RETIRED PERSON OVER 65 YEARS OLD WHO HAS AN INCOME OF \$75,000 IF HE GETS IT FROM INVESTMENTS
 THAT EARN 5.00% WOULD HAVE \$1,500,000 OF ASSETS NOT EXACTLY DESTITUTE !!

PROPOSAL -- REDUCE BENEFITS FOR ALL OVER \$75,000 INCOME BY 4% /\$1000FOR AMOUNT OVER THE \$75,000

All other income defined as the Adjusted Gross Income plus Tax Free Income

The Internal Revenue Service would have to report to the Social Security Administration:

All Returns for people over 65 reporting over \$75,000 in other income for all recipients of benefits.

The Social Security Administration would then have to adjust the normal benefits for the more well to do people each year per the above formula based on other Income reported the previous year.

----- 2002 CENSUS-----

FOR PEOPLE 65 AND OVER RANGE OF INCOME THOUSANDS	AVERAGE INCOME THOUSANDS	NUMBER PEOPLE MALE & FEM 65 AND OVER THOUSANDS	ASSUMED AVERAGE SOC SEC BENEFITS	% OF BEN. SAVED BY MEANS TEST	DOLLARS SAVED BY MEANS TEST PER PERSON	DOLLARS SAVED/YEAR BY MEANS TEST TOTAL MILLIONS
UNDER 75	75			0.0%	0	0
75 TO 80	77.5	453	10,000	10.0%	1000	453
80 TO 85	82.5	371	11,000	30.0%	3300	1,224
85 TO 90	87.5	352	11,000	50.0%	5500	1,936
90 TO 95	92.5	306	12,000	70.0%	8400	2,570
95 TO 100	97.5	237	12,000	90.0%	10800	2,560
OVER 100	100.0	2234	12,000	100.0%	12,000	26,808
TOTAL >75		3,953,000	PEOPLE WITH OVER \$75,000 INCOME			35,551 (\$36 BILLION/YEAR)

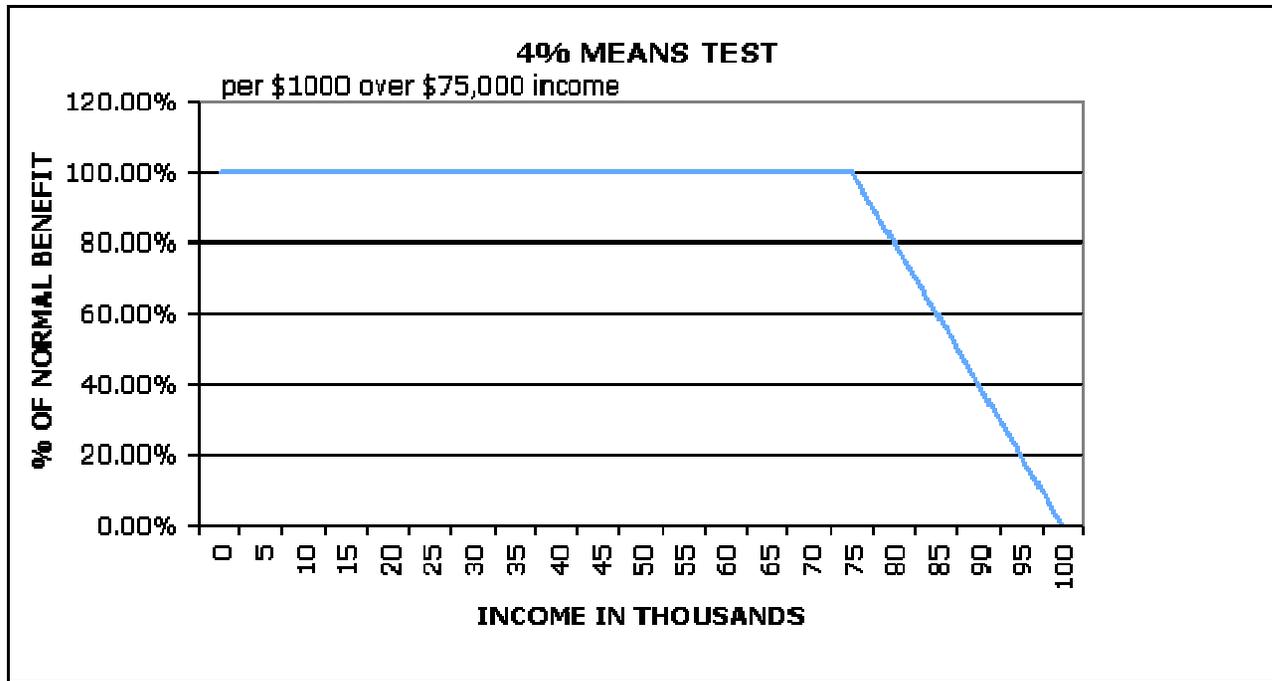
Using the Trustees Intermediate estimate for inflation, \$36 billion/year would save \$12.5 trillion by 2075

Interest on the savings would produce an additional trillion.

Instead of being bankrupt in 2043 the Trust Fund would have assets of \$3.75 trillion.

Source: U.S. 2000 census for number of people in each income group 65 and over.

<http://www.census.gov/hhes/www/income.html>



Advantages:

- No Transition Cost
- No reduction of benefits for those who need it.
- No increase in tax for employees
- Beneficiaries who could not, or had not, provided for their old age would not become destitute
- Workers would not be required to pay to give benefits to the wealthy.