

Workers may arrange PRAs for non-working children, with workers able to put up to 20 percent of their income. We say now a minimum of 10 percent, with an option of up to 20 percent can be put into their own account.

If one wants to retire at 55, put more money in to make sure you have enough to buy this minimum retirement benefit. Do it quicker and retire earlier. Do what you want, or put it into the account for nonworking children. A parent with five children could put 10 percent aside for himself and 2 percent in each child's account. This gives your children a headstart on retirement benefits.

To demonstrate how this money mounts up, by placing \$1,000 into an average account when a child is born, by the time that child reaches 65, that \$1,000 would be worth nearly \$250,000 with just that one investment into the retirement account. For grandparents, that is a good gift for grandchildren. That shows how it can grow. Additional accounts for children give a real leg up on their retirement benefits in the future.

No new taxes. Bottom line, we say we do not want to raise taxes. There are things we need to do to finance this transition. As I said, there is \$20 trillion in unfunded liabilities out there. Somebody has to pay that. We have made the commitment to them. The question is, How do we do that over the next 70 years so we do not put a tremendous strain on any one generation? As I said, in the next 25 or 30 years alone, we could put a strain on our children or grandchildren of up to a 70-percent tax rate in order to support the system if we don't make some changes now.

Again, what this all means, the bottom line, is retirement income will be there for all, whether one decides to stay within the current Social Security system—that is a choice, if that is what you want to do—or whether one chooses to build a personal retirement account. Again, there is a choice. Individuals don't have to do what Washington says; you can have a choice in what you want to do. Citizens can decide which retirement options work for them.

How do you want to do this? When the dollars are taken from your check, as they are today, deducted from Social Security, when the dollars are taken from you, you dedicate where you want the dollars to be sent, which retirement fund is going to handle your dollars—whether it be Citibank, Lutheran Brotherhood, Norwest, or whatever it might be. You decide where the dollars go. It goes into your account.

Also, you can tell that account holder: I want 65 percent in the market; I want 35 percent in Government bonds and securities. You can do that. Each individual has control over how the investments are handled.

Any person visiting the country of Chile, just ride in a taxicab and ask the cabdriver: How much do you have in your retirement account? He will pull out a retirement account passbook and state to the penny how much he has in the retirement account. That is his money.

They do not have their hands on it anymore. This takes Social Security out of the control of Washington and it puts it into the people's control. They make the decisions of what to do and how to build their retirement.

Everybody is different. Families are different. Everybody's hopes and expectations are different. Right now, Washington gives us that cookie-cutter, one system, and that is it. Our plan gives all the options so the American people can provide and create a retirement system they want.

With a PRA, an average Minnesotan could receive at least three times their current projected Social Security income, at least, and some of the projections go as high as 5, 6, maybe even 10 percent.

The bottom line is, the system is under tremendous strain and we are going to have to do something to protect retirement benefits in this country. The question is, What type of retirement system do we want to leave our children and our grandchildren?

Again, there are going to be those out there and some on the campaign trail today for President who are going to be talking about maintaining the status quo. In other words, let's put a Band-Aid over this cancer, let's raise taxes a little bit, and we will get by for a while. When that Band-Aid is pulled off, that cancer is going to be even worse than it is today.

We have an opportunity today to make a decision that is going to be better for retirement; in other words, it is going to cost less and there will be less pain in the transition. The longer we wait, it is going to be harder and more costly to make any kind of decision. We need to do this soon.

Are we going to get it done this year? No, there is not enough time this year to do it. It should be on the front burner when we come back in the 107th Congress in 2001, with a new President and the next Congress. It should be one of the first items we should look at: How are we going to save and support future retirement for our kids and grandchildren in the future.

I am 52 years old today, but I have very few options. I might be stuck with the plan we have today because by the time we implement it, I will be 55, 56 years old. At that time, will I have the option to move into personal retirement accounts? Maybe not.

We have to give our children and grandchildren at least the option to provide a better retirement for themselves than what we have today. For many people on retirement, if they are

getting \$800 a month and they think that is great, maybe that is what they want their grandchildren to have. But if they have retirement benefits three or four times that, I think that is an option to give our children and grandchildren.

I hope to talk about this again in the near future.

I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Kansas is recognized to speak for up to 30 minutes.

ELIMINATE THE MARRIAGE PENALTY

Mr. BROWNBACK. Mr. President, I rise today to address a couple of items that are going to be coming before this body and the importance of our addressing them. One is the marriage tax that is so embedded in our Tax Code, and the other is lifting the Social Security earnings limit. Both of these issues need to be taken care of this Congress. It is in the power of this Congress, particularly this body, the Senate, to deal with both of these items, and it is time we do it. I am going to be speaking out often about this until we get these measures passed. They make sense. It is time we do it. The American people want us to do it. The House has passed both of these bills, and it is time we do so as well.

Our Tax Code is riddled with provisions that penalize America's families. If that is not clear to date, it should be, and it will become increasingly clear as we discuss both of these issues, the marriage penalty and the Social Security earnings limit. In fact, our Tax Code regarding marriage penalizes marriage in over 60 different ways, according to the American Association of Certified Public Accountants. That is a body of which the Presiding Officer has been a part in the past.

This is unacceptable. As my colleagues already know, one of the most egregious marriage penalties occurs in the marginal tax rate bracket and in the standard deduction. I want to go through this because everybody hears about the marriage penalty tax, and it occurs in over 60 places. The bill that passed the House and is currently being considered in the Finance Committee addresses it in several places, but not all 60, but they are in several of the most important places.

I want to particularly talk about the marginal tax rate bracket and the

standard deduction. In fact, last year 43 percent of married taxpayers, roughly 22 million couples, paid an average of \$1,489 more in Federal income taxes than they would have paid had they remained single. The Government should not use the coercive power of the Tax Code to erode the foundation of our society—the family. We must quit subsidizing and encouraging people not to get married and penalizing marriage.

The House passed a bill to provide marriage tax penalty relief for America's families in the 15-percent marginal rate bracket and to eliminate the marriage penalty in the standard deduction. The House-passed bill provides a good starting point for our discussions on marriage penalty deduction and elimination. It does not do everything, but it is a good starting point and key area with which to go.

Doubling the standard deduction, increasing the width of the 15-percent bracket, and fixing the earned-income tax credit will eliminate or reduce the marriage penalty for all filers.

According to the National Center for Policy Analysis, the highest proportion of marriage penalties occurred when the higher-earning spouse made between \$20,000 and \$75,000 per year. Clearly, we need to make the marriage penalty elimination a priority for all families, not just a few. We must continually work to make our Tax Code better, to make it fairer for America's families. I am hopeful we will be able to correct this gross inequity in our Tax Code this year.

I want to go through some examples of people in Kansas who have written to my office about the impact of the marriage penalty. People know it is there, and they do not like it.

First, we can pass this bill in this body this year and get it to the President. We have to have an agreement between the Republicans and the Democrats as to whether or not we are going to agree to pass this bill. I am calling on my Democratic colleagues to agree with us and pass sensible marriage penalty relief. They have it in their power to block us from doing this as well, but I hope they will come forward and say: We do not want this pernicious tax to be on our married families. We are all for family values, and the central unit of that family is the married couple. We do not want to see placed on America's families this average of \$1,480 per family, on 22 million working couples who are making between the \$20,000 and \$75,000 limit. We do not want to see that tax placed on them. We do not want people saying: I cannot afford to get married because of the Federal Tax Code. People are saying just that now.

I want my colleagues to listen as I share some letters I have received from Kansas constituents about this very issue.

When I go home every weekend and talk with people, the marriage penalty tax comes up regularly.

Listen to this letter:

DEAR SENATOR BROWNBACK: My husband, a mechanic, and I are working hard to raise our two daughters as well as we can on his income. It is tight sometimes, but we get by.

After our littlest one, Emma, starts school I will be returning to work at least part-time or ¾ time. Mitch and I were looking forward to the extra income so we could pay off our car, start saving for our girls' college education and most of all, quit living month to month if something goes wrong.

After doing our taxes this year we fiddled with the numbers to see where a supplementary income would put us. We discovered that my working much more than part time would put us in a higher tax bracket and almost negate my income. In short, my husband is punished for working nights and extra overtime and I am punished for wanting to send my daughters to college.

The best tax strategy that we could find would be to divorce, let Mitch deduct the mortgage interest and I file as the head of household with the girls. In short, the present tax code has a significant incentive for shacking up instead of marrying.

These are my constituent's words—rather blunt, but they do make the point. She goes on to write:

Some people say that this tax cut is bad because it would benefit the wealthy and the richest Americans. If they think a mechanic and a secretary are the richest Americans, and are opposed to the Richest Americans, then who are they for? Obviously not mechanics and secretaries.

Please vote to remove the marriage penalty so our hard work will mean something more than higher taxes.

Here is another letter. This one is from David:

DEAR SENATOR BROWNBACK: I am a college student at Washburn University. My girlfriend and I have been thinking about getting married for several months.

As part of the planning we went through our finances.

It sounds like a good idea to me.

I checked our taxes and found that if we were married this year, we would have paid \$200 extra in Federal taxes.

Granted that may not sound like much, but at \$9 and change an hour, \$200 is a lot of money.

I calculated how much we could be making in a few years and found that we will pay \$600 more for being married than just shacking up.

Again, a rather blunt statement, but put forward clearly.

He goes on to say:

Basically, we have to pay \$600 for the privilege of being married.

I always thought the government tried to reward constructive, positive behavior through the tax code, but it is punishing one of the most socially stabilizing behaviors, marriage.

We don't think we or anybody else should be punished for being married and hope you can do something about it.

Here is another one:

DEAR SENATOR BROWNBACK: I am writing to express my support for The Marriage Tax Elimination Act recently passed in the House of Representatives and to urge you to

vote in support of this measure when it comes to the Senate.

This legislation would address a serious inequity in current tax law by eliminating the disparity that exists with respect to the total "standard deduction" allowed two married taxpayers versus the total "standard deduction" allowed two single taxpayers. Tax policy should not discriminate either in favor of or against two individuals with respect to their decision to be married (or not be married). Rather, the same total itemized deduction amount should be allowed married taxpayers who choose to file jointly as two individuals who file separately.

Thank you for your attention to this matter.

Is that just basic common sense, that if you are going to be married or if it is two singles, you should be taxed at the same level instead of having an increased tax for being married? It is pretty hard to explain that policy to that constituent.

Here is another letter from a constituent:

SENATOR BROWNBACK: We were notified that a Marriage Tax Relief Act was pending in the Congress. We want to go on record as supporting any measure that will roll back the "Marriage Penalty" on America's families, including ours! We trust that you are willing to vote YES on this bill.

Thank you, and God bless.

Here is another letter:

DEAR SENATOR BROWNBACK: I would like to thank you for expressing your ideas and opinions on the marriage penalty tax to the senate on behalf of the Kansas taxpayers.

Doubling the standard deduction for married couples, and doing so as quickly as possible, lessens the blow with which nearly 21 million couples are hit every year. I have seen many people struggle with their taxes each year and I am writing on behalf these people to recognize you for your tremendous effort to make their lives easier. Thank you again.

Here is another letter. This is from Salina, KS:

DEAR SENATOR BROWNBACK: I am writing to you about the reduction of the "marriage penalty". I want to urge your support to correct it. It is a misconception to regard it as a tax cut. It is in fact a tax penalty that must be corrected.

Two single people that choose to get married must not pay more tax than two people that choose not to do so. That is a penalty for getting married. Correcting this problem is not "cutting taxes". It is merely restoring them back to the way they were before the couple joined in marriage. Thus it is not a tax cut. It is the correction of the penalty for getting married. Please do the right thing.

Ask yourself what would a couple do with the extra money? It will get spent. All those millions of dollars flow right back into the economy and get taxed again. It really won't hurt, it will help!

I like his positive attitude on that.

We get a lot of letters and comments from people about this being a tax, a penalty: Why do you say you are all for family values, yet you are willing to tax marriage, the central unit of the family? It just does not make sense to folks.

We are talking about a pretty substantial amount of money per married

couple—around \$1,445 a year—for an average family. With that money:

They could pay the electric bill, which, if it averages \$153 per month, they can do that over a period of 9 months.

They could pay for a week-long vacation at Disneyland. That would be good for a family.

They could make four payments on the minivan. Car payments for an American minivan average between \$300 and \$350. They could make four payments.

They could have a nice \$40 dinner 36 times. I do not know which people would do that. Most working families go to McDonald's, and it does not cost \$40. But if you want to spend \$40, you can go out to dinner 36 times.

Working families could buy 1,094 gallons of gas at \$1.32 per gallon. That example is a little odd. We could talk about energy policy if you would like.

They could buy 1,268 loaves of bread at the rate of \$1.13 per loaf.

I think you get the picture. But many families could do a lot with that money.

I want to reiterate, we have the bill now to do that. It has passed the House. It is in the Finance Committee. It is going to be here. It will be up to this body to determine, are we going to let it on through or not?

The opposition has the right to stall this, to stop this bill from clearing on through. But this is not right for us to do as a matter of tax policy.

I am going to continue, and a number of us are going to continue, to push aggressively to get this tax relief through, get this penalty off.

Marriage in America has enough difficulties without being penalized by the Federal Government, as one of my constituents wrote. According to a recent Rutgers University study, marriage is already in a state of decline in America. From 1960 to 1996, the annual number of marriages per 1,000 adult women declined by almost 43 percent. Someone might say: Let's tax it some more; maybe it will go down some more.

At the same time that fewer adults are getting married, far more young adults are cohabiting. In fact, between 1960 and 1998, the number of unwed couples cohabiting increased by 1,000 percent.

When marriage, as an institution, breaks down, children do suffer. The past few decades have seen a huge increase in the out-of-wedlock-birth and divorce rates, the combination of which has substantially undermined the well-being of children in virtually all areas of life. That is according to many studies we have. It has adversely affected children physically and psychologically, their socialization and academic achievement, and even increased the likelihood of suffering physical abuse.

That is not to say all children in those circumstances are going to be

having those difficulties. They are not. Many single people struggle heroically to do a good job raising their children. Still, the total aggregate result is that, over all, if you have this type of situation increasing, you are going to negatively impact the physical and psychological health, socialization, and academic achievement of that child, and even increase the likelihood of physical abuse. Do we want to encourage that more by continuing this pernicious tax? This is a tax on children, a penalty on children. Study after study has shown that children do best when they grow up in a stable home, raised by two parents who are committed to each other through marriage. I guess we shouldn't need a study to tell us that, but we have them. Newlyweds face enough challenges without paying punitive damages in the form of the marriage tax. The last thing the Federal Government should do is penalize the institution that is the foundation of a civil society. I believe we can and must start now to rid the American people of this marriage penalty. I look forward to working with the chairman of the Finance Committee as well as my other colleagues to make sure we get this job done.

I will continue to come to the floor day in and day out to push that. We now have a bill to eliminate this major portion of the marriage penalty tax. It is going to be the choice of the Democrat Party whether or not we will pass it through this body. I hope they will come forward and say, yes, it is time to end the marriage penalty in America. Yes, it is time to end this tax on our Nation's children. Yes, it is time to end this penalty on 43 percent of the married couples in America. This isn't a tax cut for the wealthy. This is a tax cut for the family. It is not even a tax cut, it is just leveling the playing field and removing the tax penalty. Clearly, we should do this.

One other issue of importance that will also be coming before the body is the Social Security Earnings Test Elimination Act. That, too, has passed the House of Representatives. Thank God for the work the House is doing in getting these bills through and over to the Senate. This bill passed the House 422-0.

This is a bad law that has been on the books since the Depression era. You would have thought somebody would have stood up and said: I thought that was a good law all this time. Nobody did.

We should not use the coercive power of the Federal Government to prevent seniors who want to work from working. They have spent a lifetime paying into the Social Security trust fund. It is simply not fair to deprive them of their Social Security benefits simply because they choose to stay in the workforce longer or choose to begin working again after retirement.

I was talking with a constituent in Kingman, KS, who works at a small factory in Kingman. He lost his farm during the decade of the 1980s, during the farm depression. He is approaching retirement age and will be there shortly.

He said: You really need to remove this thing for me and for a number of people. I lost my farm in the 1980s. That was my savings account. I have to continue to work to earn enough money to support the family. I can't afford to be penalized for working.

The very thing we need to be encouraging people to do, we are penalizing. Here is a man who has worked hard all his life. He is approaching retirement age, will continue to work, and needs to continue to work.

He said: Don't penalize me. Don't pull this away. I wish I hadn't lost the farm in the 1980s, but I did. That was my savings account. I don't have one now. I need to work. Let me work and don't penalize me.

Without a growing on-budget surplus, it is possible to remove this penalty for America's working seniors. It is imperative that the Senate pass this important bill so we can rid the Social Security system of its disincentive to work. Americans should be free to work if they choose. Passage of this bill will help elderly Americans stay in the workforce longer. It should be their choice and not ours. This bill allows people older than 65 and younger than 70 to earn income without losing the Social Security benefits they have paid in their entire life. It is an important bipartisan measure that passed overwhelmingly in the House. I expect it will pass in the Senate as well.

Chairman Greenspan even noted its important positive impact on the economy to increase the potential in the labor force that would be available.

This is another important measure that has passed the House. I call on my colleagues: We must pass this legislation. Let's pass the Marriage Penalty Elimination Act. Let's pass this elimination of the Social Security earnings test so we can allow people to work, so we can allow married families to be able to save up some money and not be penalized for the simple act of being married. It is in our power to determine whether or not we will do this. I call on my colleagues to do that.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.