

United States Senate

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March 3, 2005

Senator Charles Grassley
Chair, Senate Finance Committee
203 Hart Office Building
Washington, D.C. 20510

Senator Max Baucus
Ranking Member, Finance Committee
203 Hart Office Building
Washington, D.C. 20510

Dear Senators:

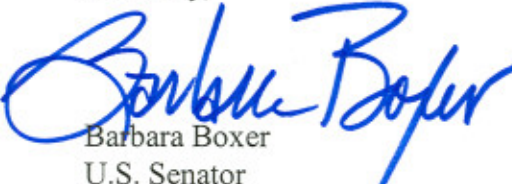
I am writing to urge you to reject any proposal that would require state and local employees covered under a state pension plan to participate in the Social Security system.

Currently, many state and local employees are in the Social Security system, but nearly 7 million--including nearly 1 million in my own State of California--are not. Instead, they participate in public pension plans designed to replicate Social Security's basic retirement and disability protections. In fact, upon retirement, those in California receive higher benefits than they would under Social Security.

Requiring these employees to participate in Social Security will have adverse effects on them and their families as well as the pension systems that currently guarantee a comfortable retirement. Mandatory participation would create a undue burden on public employees who would be forced to pay payroll taxes on top of the pension contributions they already make. Currently, the average public-sector worker contributes 8 percent to 9 percent of his or her pay. And, even if mandatory participation applied only to new hires, this would siphon new employees away from public pensions, endangering these pensions' stability.

Thank you for your consideration of this vital issue for state and local public employees.

Sincerely,



Barbara Boxer
U.S. Senator