

# Committee on Ways and Means

## *Subcommittee on Social Security*

### **GROW Accounts**

(Growing Real Ownership for Workers)

#### **PRINCIPLES**

1. Social Security taxes should only be used for Social Security.
2. The Social Security surplus should not be used to fund other government programs.
3. The surplus should not be used to mask the true size of the national deficit.

#### **WHAT THE BILL DOES**

- Protects the Social Security surplus.
- GROW Accounts will be created for workers under the age of 55, unless they choose not to participate.
- The Social Security surplus will be dedicated to GROW Accounts, where it will be invested in no-risk, marketable Treasury securities – real assets that workers own.
- Upon retirement, account balances will be used to help pay the worker's Social Security benefit.
- Account balances are inheritable.
- An independent Board will manage and administer GROW Accounts. In January 2009, the Board will submit a plan to Congress that would allow individuals to diversify into other prudent investment options. Workers can always choose to keep their assets invested in Treasury bonds.
- The bill does not impose investment risk on workers and does not harm the Social Security Trust Funds. It does put us on the path to protecting the integrity of the Social Security program by ensuring that Social Security taxes are only used for Social Security.