# Totalization: Sellout of American Workers

by Phyllis Schlafly Nov. 17, 2004

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The Democrats are trying to make a campaign issue out of George W. Bush's alleged plan to "privatize" Social Security, scaring seniors into thinking their checks will be cut off. That is a phony issue; all Bush suggests is to offer younger workers the option (not the compulsion) of transferring a very small part of their Social Security benefit into private investments.

The real threat to Social Security doesn't come from giving young people this opportunity. The threat comes from the Bush Administration's plan to load illegal aliens into the Social Security system, an idea that would skyrocket costs and bankrupt the system at the same time that baby boomers flood into their benefit years.

The code word for this racket is "totalization." The United States has totalization agreements with 20 other countries, which have been reasonable and non-controversial, but totalization with Mexico is TOTALLY different.

The idea behind totalization with other countries is to assure a pension to those few individuals who work legally in two countries by "totalizing" their payments into the pension systems of both countries. All existing totalization agreements are with developed nations whose retirement benefits are on a parity with U.S. benefits, and the affected employees work for companies that have been paying taxes into the other countries' retirement systems.

Workers from the other 20 countries come with documents from their employer verifying that they are authorized to work in the United States. Only a minuscule fraction of Mexicans enter with such documents.

The legitimate goal of totalization with other countries is to avoid double taxation for retirement when employers assign their employees to work temporarily in another country. Reciprocity works because there is rough parity between the number of U.S. workers in the 20 other countries and the foreigners from those countries who work in the United States.

But this goal has no relevance to Mexico. There is no parity whatsoever between the number of Mexicans working in the United States and the number of U.S. citizens working in Mexico, and absolutely no parity in the social security systems of the two countries.

Mexican benefits are not remotely equal to U.S. benefits. Americans receive benefits after working for 10 years, but Mexicans have to work 24 years before receiving any benefits.

Mexican workers receive back in retirement only what they actually paid in, plus interest, whereas the U.S. Social Security system is skewed to give lower-wage earners benefits greatly in excess of what they and their employers contributed.

Mexico has two different retirement programs, one for public-sector employees, which is draining the national treasury, and one for private-sector workers, which is estimated to cover only 40 percent of the workforce. The rest of the workers are in the off-the-record economy (euphemistically called the "informal" sector).

The 10 million Mexicans who have illegally entered the United States previously lived in poverty, did not pay social security taxes in Mexico, and did not work for employers who paid taxes into a retirement plan. If they were working at all, it was in the off-the-record economy.

Illegality is no issue with the countries where we have existing totalization agreements because none of them accounts for even one percent of the U.S illegal population. On the other hand, Mexico provides more than two-thirds of the illegals in the United States.

The Bush totalization plan would pay out billions in Social Security benefits to Mexicans for work they did in the U.S. using fraudulent Social Security numbers, something that Americans would go to jail for doing. It would pay Social Security Disability benefits to Mexicans who worked in the United States as little as 3 years.

The Bush totalization plan would lure even more Mexicans into the United States illegally in the hope of amnesty and eligibility for Social Security benefits. The Bush plan would even cover the Mexicans' spouses and dependents who may never have lived in the United States.

Since few if any of the illegal aliens have built up any equity in the Mexican retirement system, what is there to totalize? Totalization is a plan for the U.S. taxpayers to end up assuming the entire burden.

When George W. Bush became President in 2001, the Mexican government expected the United States to pass amnesty (disguised as a guest worker plan and "regularizing" the entry of Mexicans). After 9/11, Mexico's national policy turned to increasing the number of its nationals working in the United States and getting them to qualify for all the social benefits and privileges Americans receive, from driver's licenses to Social Security and Social Security Disability.

The Social Security commissioners of both Mexico and the Bush Administration signed a totalization agreement in June of 2004, but the text of the agreement has been kept secret. Maybe we will be permitted to see it after the President approves it and sends it to Congress.

Let your Members of Congress know you want them to stop this billion-dollar sellout of American workers and taxpayers.