

# Ryan outlines comprehensive reform plan for federal government

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By Bridget Thoreson  
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U.S. Rep. Paul Ryan, R-Wis., announced a plan Wednesday for reforming government “entitlement programs” such as Social Security and Medicare.

“If we don’t tackle these problems soon, they’re going to tackle us,” Ryan said in a press conference. “Year after year we keep kicking the can down the road. Both political parties share the blame for this inaction.”

In response to a question at the press conference, Ryan, a ranking member of the House Budget Committee, said he had no idea if Sen. John McCain was considering offering him the vice presidential spot on the ticket, and he did not have pursuing higher office in mind when making his proposal.

“It’s my job to look at the budget and fix the problems with the budget,” Ryan said. “This, for me, is a platform for action, not some personal ambitious proposal for higher office.”

Paulette Garin, one of the Democrats who have said they are running for Ryan’s 1st District position, said this proposal was nothing new. The 1st District includes Racine County.

“It’s all Ryan’s same-old, same-old,” she said. “They’re just beating the war drums because they want to protect that seat.”

The 87-page plan, entitled “A Roadmap for America’s Future,” has three main components: health insurance and retirement security, addressing debt and economic competitiveness.

## **Health**

Ryan said aspects of his plan mirror the programs available to members and employees of Congress. Ryan proposed universal health care, shifting health coverage ownership from the government and employers to individuals. The plan allows for refundable tax credits of \$2,500 for individuals and \$5,000 for families.

Marge Krupp, another Democratic challenger, questioned the value of the plan, adding that Ryan gets donations from insurance companies.

“The tax credit money goes directly to insurance companies,” she said. “It looks like a conflict of interest to me.”

For Medicare, Ryan said current seniors would use the existing program, but there would be changes for people younger than 55.

Specifically, the plan includes a Medicare payment of up to \$9,500, adjusted for inflation and risk, with people needing more medical attention and low-income people getting higher payments.

## **Retirement**

As with Medicare, the current Social Security program would remain the same for people who are 55 or older. Younger workers would have the option of putting one-third of their current Social Security taxes into personal retirement accounts. Benefits from the accounts would not be less than the current system, and a property right would allow assets to be given to heirs.

Krupp said Ryan's plan could hurt senior citizens. The upper limit needs to be raised so taxes are collected on 90 percent of wages, she said.

"The privatizing of Social Security would take money away from the Social Security pool and put it into Wall Street," Krupp said. "He's going against Wisconsin and America."

Ryan said both Medicare and Social Security would be permanently solvent under his plan.

## **Debt and taxes**

Ryan said taxpayers could choose to pay their taxes, either under existing law or under a code with two rates. The simplified tax rates would be 10 percent on income up to \$50,000 for single filers and \$100,000 for joint filers, and 25 percent on taxable income more than those amounts. It includes a standard deduction and personal exemption; a family of four, for example, would get a \$39,000 exemption.

"This code fits on a postcard," Ryan said.

But Garin said in a statement this does not address the "staggering deficit" America already has.

"While paying lower taxes appears attractive, how does the government make up for the \$840 billion revenue shortfall created by this proposal?" Garin said in the statement. "We have placed an overwhelming financial burden on our children and grandchildren."

The corporate income tax, which Ryan said is currently the second-highest among industrialized nations, would be replaced with a business consumption tax of 8.5 percent.

"The foreign-made good comes into America with twice the tax advantages," Ryan said. "I believe if we begin to act immediately there remains the opportunity for a dramatically better American future."