1. Re-establish Fiscal Responsibility at the federal level

   The growing US debt problem represents a complete and unequivocal failure of our country's leadership (both the executive and the legislative branches) on a scale that is unprecedented in our country's history. $19.3 trillion of "on book" debt (an amount in excess of $59,000 for every man, woman, child and retiree in the country) is unacceptable.

   It is time to completely overhaul and restructure the federal government's finances.

   We need to eliminate deficit spending and begin repaying the cumulative US debt.

2. Implement Term Limits for members of the US Senate and US House of Representatives

   We need to pass the proposed constitutional amendment (see www.termlimits.org).

3. Scrap and re-write the entire federal income tax code for personal income tax returns

   The current federal income tax code for personal income tax returns needs to be completely re-written and simplified. It has become nearly incomprehensible and contains too many provisions that dole out favoritism to "special interest groups".

   The changes to the personal income tax code must be accompanied by corresponding changes regarding welfare reform, the transformation of the country's Social Security program, and the reform of the country's Medical Care taxes (see below).

4. Welfare Reform

   The real solution to the problem of poverty is to help those less fortunate become "unpoor". The federal government and its current welfare programs cannot accomplish this task.

   The real solution is for the federal government to eliminate all of its welfare programs, and instead support civil society (families, supported by Not For Profit charities and religious organizations) to help people take personal responsibility for their own lives.

   Financial support to these Not For Profit charitable organizations will be provided via changes to the federal income tax code.

5. Reform / Transform Social Security over a multi-year transition period

   The original intent of Social Security was to provide a safety net (welfare) to keep the elderly out of poverty.

   However, Social Security was set up to provide an "entitlement" benefit to all citizens, without regard to a person's / family's financial needs during retirement - - this is the fundamental flaw in the program that was established in 1935.

   Current demographics and future projections continue to foreshadow a complete breakdown of the current system. Social Security must be fundamentally transformed over a multi-year transition period.

6. Reform US Healthcare programs - - Medicare, Medicaid, Obamacare // Health Insurance // Tort Reform

   The federal government must be removed from the administration of the country's healthcare system.

   The country's healthcare system must be managed at the state and local level, with appropriate oversight by the Dept of Health and Human Services, and the House of Representatives and Senate.

   The federal bureaucracies that have a current role in the country's healthcare issues must be transformed from being a provider / administrator / payor, to being a setter of rules and regulations, and become a consultative resource to the states and local agencies (including Not For Profit charitable organizations) that will have the responsibility for delivering healthcare services to the country's citizens.

   The Department of Health and Human Services (with approval by the US House of Representatives and US Senate) will set the minimum federal healthcare requirements. These minimum federal requirements will determine the bronze level "national standard" to be offered within each state, for those people who want to elect that level of coverage and the "public" option.

The 2020 Initiative - Principles

1. Re-establish Fiscal Responsibility at the federal level

   It is immoral for the federal government to push a constantly growing debt problem onto future generations.

   The federal government must live within its means, just the same as any individual, family, or business enterprise is expected to do. The US government is NOT any different in regards to the need to maintain fiscal responsibility.

   It is unsound fiscal policy for the government to promise something (or commit to something) in the current time frame, and then defer the financial obligation for that program to the future.

2. Implement Term Limits for members of the US Senate and US House of Representatives

   With the current congressional approval rating in the low teens (and which has not shown any improvement over the past several years) it is time for our elected officials to work with our country's citizens to change the rules regarding Term Limits for members of the US Senate and US House of Representatives.

   It is time to implement Term Limits, so that our elected legislators can make decisions that advance the cause(s) of the country as a whole, rather than make decisions that are affected by their concerns about their long-term political career. It is time for our elected officials to go ahead and "touch the third rail of politics" and implement entitlements reform.

   Power corrupts and absolute power corrupts absolutely. George Washington was adamantly opposed to the idea of an “imperial presidency” and vowed to serve at most two terms. We need to extend the wisdom of the 22nd Amendment and apply it to the US Senate and US House of Representatives as well.

   The intent of the US Constitution was to have a government run by We The People, not by entrenched career politicians who are beholden to special interest groups.

3. Scrap and re-write the entire federal income tax code for personal income tax returns

   The country's tax code must be simple and easily understood by the country's citizens.

   The country's tax code should simply raise revenue for the government - - it should not be used to "socially engineer" the country's citizens. Government should not use the tax code to intrude upon the private sector / the marketplace.

   The country's tax system must produce an amount of revenue that equals / exceeds the cost of government.

4. Welfare Reform

   Until an individual / family is able to take complete personal responsibility for their own lives, there will continue to be a need for welfare assistance. Eligibility for welfare assistance should be determined annually based upon an individual's / family's financial situation - - their annual income and accumulated wealth (i.e., "means tested").

   Beginning in 2020, there should no longer be any federal cash welfare payments to individuals. (It is recommended that there should also not be any state-provided cash welfare payments). The goods and services that welfare-eligible recipients need to receive should be provided by Not For Profit charitable organizations, not via government welfare programs.

   One of the primary priorities of welfare assistance should be in regards to education services, including remedial education assistance and job re-training, to help people obtain meaningful employment (above the minimum wage).

5. Reform / Transform Social Security over a multi-year transition period

   The responsibility to provide for one's own financial security during retirement is a personal responsibility. It is not an appropriate role of the federal government. The deferral of a taxpayer's taxable income via Individual Retirement Accounts, 401(k) plans, etc. should continue to be a key feature of the federal income tax code.

   It is OK for the federal government to provide a welfare benefit to an elderly citizen who requires such financial assistance.

6. Reform US Healthcare programs - - Medicare, Medicaid, Obamacare // Health Insurance // Tort Reform

   The responsibility to provide for one's own medical costs is a personal responsibility. It is not an appropriate role of the federal government. The government should make available to every citizen the opportunity to establish a Health Savings Account, including those situations where an HSA plan is not available via an individual's employer.

   It is OK for the federal government to establish the minimum healthcare benefits that should be available to all of the country's citizens, and to protect the citizens' rights in regards to these minimum coverages.

The 2020 Initiative - - Discussion Points and Recommendations

1. Re-establish Fiscal Responsibility at the federal level

   We need to have our elected officials acknowledge that the growing cumulative debt amount is a problem that threatens the country's future. We need our elected officials to commit to solving the growing debt problem, now.

   We need to limit the federal government's role to its two primary purposes (only) - - to protect individuals' rights that have been granted under the US Constitution, and to militarily protect the country as a whole.

   The President must be given the power of the Line Item Veto. If so exercised, any line item veto could subsequently be over-ridden by the citizens' representatives with a two-thirds vote in both the US House and US Senate.

   The federal government is responsible for the protection and general welfare of the country (collectively as a whole). No governmental unit at any level is responsible for the financial welfare of an individual - - this is a personal responsibility of each individual and their family. If necessary, assistance will be made available to that individual / family from Not For Profit charitable organizations.

2. Implement Term Limits for members of the US Senate and US House of Representatives

   The proposed amendment to the US Constitution (see www.termlimits.org) calls for a two-term limit on members of the US Senate (a maximum of 12 years) and a three-term limit on members of the US House of Representatives (a maximum of 6 years).

   According to recent polls, more than two-thirds of US citizens support the concept of implementing Term Limits for members of the US Senate and US House of Representatives. It is time to implement this change.

   Campaign finance restrictions are illegal per the US Supreme Court. In addition, corporations are allowed to fund (make contributions to) political campaigns. Money influences elections, and those funds are being invested by individuals and special interest groups for their own special interest.

   More than two-thirds of US citizens believe that current election rules (and campaign finance advantages) favor incumbents. Term Limits fortify democracy by expanding voter choice and the competition for voters' votes.

   Setting a limit on terms will serve to advance two primary objectives. Term Limits will serve to increase the "cost of capital" for the various special interest groups, because such groups' "investment" will need to be recovered over a shorter period of time (rather than in perpetuity) and this will serve to dampen the effectiveness of the money that is injected into the political process. More importantly, Term Limits will result in new candidates each election cycle, who will bring new thoughts and ideas to the US Senate and US House of Representatives.

   With its ever-expanding role and power, the federal government has begun to encroach upon the citizens' civil liberties (something that the country's Founders warned against).

   One of the other primary concerns at the time the US Constitution was approved was to guard against the possible self-aggrandizement of our elected officials. Today we find many government programs and policies that have served to create a separate class distinction between the citizenry (the governed) and people in government. The original intent was to have a flow of citizens into and out of public life - elected officials who would run for office to provide public service to the country's citizens, rather than for their own personal gain. Therefore, we also need to begin to remove all distinctions that have arisen between people in public life (the government) vs. private citizens.

   We need to eliminate separate healthcare programs for elected officials and government employees.

   We need to eliminate public pensions for people who are elected to office. Public pensions are not necessary (or appropriate) for people who are elected to public office. If the person is effective and successful in being an elected official, they will be able to subsequently leverage that experience in any future endeavors that they would want to pursue once they leave office. Pensions upon leaving office are not appropriate, and therefore, no additional ongoing (lifetime) cash should be paid to that individual. During their term(s) in office, elected officials should be entitled to make personal contributions to an IRA / 401(k) plan, similar to citizens in the private sector. [Note: there will need to be a transition plan for people who have currently been promised a pension, to move from the current arrangements to new rules regarding the elimination of all public pensions.]

   For employees in the federal public sector, we need to begin to transition all retirement programs from a pension plan to a defined contribution retirement program (i.e., a 401K plan) to match what is happening in the private sector.

The only appropriate federal pensions that the US government should pay would be to personnel who served in the country's armed forces for a minimum of ten years, or who were wounded during their service to our country. These pension programs for military personnel need to be funded each year (i.e, currently) using the same, sound pension funding rules that are required in the private sector.

Any unit of government (whether it be federal, state, or local) should be required to fund currently any public pension benefits that have been promised. It is immoral to push the cost of unfunded public pensions onto future generations. Unfunded public pensions are a major source of fiscal irresponsibility at the federal level (i.e., Social Security), state level (Illinois, Connecticut, California, etc) and municipal level (Detroit, Chicago, New York, etc).

3. Scrap and re-write the federal income tax code for personal income tax returns

The current federal income tax code for personal income tax returns needs to be completely re-written and simplified. It is too complex and has become nearly incomprehensible (especially in regards to the new provisions for the Affordable Care Act). The tax code is burdened with special deals and special provisions that only serve to promote the agenda(s) of the applicable special interest group(s). These special provisions serve to create effects that distort the marketplace.

All itemized deductions (mortgage interest, real estate taxes, charitable contributions, etc.) should be eliminated from the process of calculating taxable income. Instead, we should use an appropriate federal poverty guideline amount in the calculation of taxable income. Poverty guideline amounts should be reviewed and set by Congress each year, and should cover the minimum basic essentials - the cost of food, housing, and medical care costs for various family sizes.

We should maintain the IRA / 401K deferral of income for personal retirement accounts (a personal responsibility).

We should expand the use of Health Savings Accounts to cover medical expenses that are not covered under a health insurance policy (a personal responsibility). Individuals should be allowed to set up a private HSA, in the event that such a plan is not available through their employer.

The compensation value of employer-provided health insurance should be included in W-2 wages (see below regarding healthcare reform).

The following are our recommendations for tax reform -

We need to ensure a 100% accounting of all citizens for income tax purposes each year (see below regarding welfare reform). The IRS should perform a 100% reconciliation with the list of citizens maintained by the Social Security Administration, and identify any mismatches. IRS agents, Homeland Security agents and/or Social Security employees should follow up as necessary. "E-verify" is a component of this cross-checking process.

This annually updated federal database that will be used by the IRS, the Social Security Administration and the US Census Bureau will include the following fields (only) - Name, Social Security Number, Date of Birth, and Current Address. The database could also contain "previously changed from" data for Prior Name and Prior Address (if applicable), to help the government track those changes from the prior year.

We should use IRS Form 1040 to serve as the definition of the family unit (or individual) for that year's taxes, and have the 1040 Form serve as the source document to establish eligibility for welfare for the subsequent year.

All families / individuals should be taxed a minimum of 10% of their wage income (via Social Security and Medical Care payroll tax withholdings). Progressive income tax rates for incrementally higher levels of income above the federal poverty guideline amount are appropriate. Taxable income ranges and the associated marginal income tax rates should be reviewed and adjusted annually, and be specifically approved by the US House of Representatives and US Senate each year in connection with the preparation of the annual budget.

Taxpayers would satisfy their annual federal income tax obligation via - 1) payroll tax withholdings (the sum of Federal income tax withholdings, and Social Security and Medical Care payroll tax withholdings), 2) quarterly installment payments (as is done currently), 3) with qualifying Charitable Contribution offsets, and 4) with the remaining obligation to be paid to the US Treasury by April 15th.

No tax refund should ever be sent to a taxpayer until all income amounts, tax withholdings, installment tax payments and charitable contribution offsets have been verified by the IRS' data matching systems.

Social Security and Medical Care payroll taxes should be paid on the entire amount of wage (W-2) income. Incremental federal income taxes would only be paid on income that is over and above the amount needed for basic survival (the federal poverty guideline amount).

The 2020 Initiative - - Discussion Points and Recommendations

There should not be any distinctions made regarding the taxation of income based on the nature of the income, whether it be from wages, net business income, pensions, social security benefits, interest, dividends, capital gains, etc. Welfare benefits that have been received in the form of goods or services should be excluded from taxable income.

Any and all income earned over and above the amount that is needed for basic survival (the federal poverty guideline amount) should be subject to progressive tax rates, starting at a rate of 10%.

Progressive Income tax rates are appropriate. For additional income that an individual / family makes over and above the federal poverty guideline amount, it is appropriate that each incremental level of income be subjected to a relatively higher marginal tax rate, until the cumulative US debt amount has been repaid.

The following taxable income ranges and associated marginal income tax rates should be established for 2020 -

For income levels below the federal poverty level, taxable income would be equal to $0 and there would be no incremental Federal Income taxes due. However, all wage income will be subject to Social Security taxes of 6.5% and Medical Care taxes of 3.5%.

For taxable incomes above the applicable federal poverty guideline amount, the following ranges and rates should be used, beginning in 2020: $0 to $25,000 - 10% / $25,000 to $100,000 - 20% / $100,000 to $250,000 - 30% / $250,000 to $1,000,000 - 40% / Over $1,000,000 - 45%

Starting in 2020, payroll tax withholdings that are paid to satisfy the intergenerational social responsibility for Social Security and Medicare would also be used to satisfy a portion of that individual's / family's federal income tax obligation for that year.

Starting in 2020, the incremental 3.8% tax on investment income that was implemented to help fund Medicare would be eliminated. The .9% Additional Medicare tax would also be eliminated.

The maximum total of income taxes paid to the federal government should never exceed 49%. Beyond that point, a person begins working for the US government and not for their family. The entire structure of taxable income ranges and associated income tax rates should be re-visited each year in the future, in connection with the annual federal budget process (and then lowered as appropriate) but only after the cumulative US debt has been repaid. Tax rates should never be lowered as long as there is an existing outstanding US debt amount.

In the near term, and in connection with the spending reductions outlined for Social Security and Medicare/Medicaid, and while the country's welfare policies are being transformed, and while we begin repaying the cumulative US debt amount, the highest marginal tax rate will be increased from 39.6% to 45%. This increase in the top marginal tax rate should be used exclusively to begin repaying the $19.3 trillion cumulative debt amount.

Once the cumulative US debt amount has been repaid, the maximum income tax rate would be lowered to 40%.

Once the transformation of the US government has been completed and the proper role of the US government has be re-established (i.e., protection only), the maximum income tax rate would then be lowered to the 30% tax rate.

Once the country has re-established a Self-Reliant Society, the highest marginal income tax rate would then be lowered to the 20% tax rate. When this point is reached, there would be a 10% tax on all wage income for all citizens (the 6.5% rate for Social Security, plus the 3.5% rate for Medical Care taxes). If a taxpayer (individual or family) has taxable income above the applicable federal government poverty guideline amount, this incremental layer of income would be taxed at a rate of 10%.

One of the major changes that would be accomplished with reforming the federal income tax code is to more effectively facilitate the delivery of social services (welfare) to citizens who need assistance. These goods and services are most effectively delivered by local Not For Profit charitable organizations that specialize in social services. The federal government should eliminate all federal welfare programs by 2020 (except the transformed Social Security welfare benefit) because the federal government is inferior to social service agencies in the delivery of these goods and services. Through the use of self-directed contributions to Not For Profit charitable organizations, taxpayers would be allowed to satisfy a portion of their income tax obligation via their charitable contributions.

There would be three separate Charitable Contribution offset rates - a 100% tax offset for substantiated, confirmed cash contributions to four new nationally recognized Not For Profit charitable organizations (i.e., a national food bank, a national Habit for Humanity organization, a national medical care clearinghouse, and a national education clearinghouse). In addition, there could be other federally supported Not For Profit organizations, which would need to be defined and approved by Congress (each year). There would also be a 50% offset for substantiated, confirmed cash contributions to all other state and local Not For Profit charitable organizations (including religious organizations). There would be a 10% offset for any non-cash contributions to any federal, state or local Not For Profit charitable organization (substantiated by Fair Market Valuations of any donated items).

Listings of the applicable federal Not For Profit charitable organizations would be maintained on the IRS website.

Listings of applicable state and local Not For Profit charitable organizations would be maintained on the applicable state's Department of Revenue website.

In order to maintain their federal tax status, all Not For Profit charitable organizations will have an annual federal reporting responsibility (Form 990) with information to be submitted to the IRS no later than January 31st each year.

"Income tax preferences" (whether a deduction in the calculation of taxable income or a tax credit against the amount of tax owed) do not apply universally to all citizens, and benefit only a sub-segment of the citizenry. All income tax preferences should be eliminated, including mortgage interest expense, real estate taxes, the Earned Income Credit, the Child Tax Credit, Education credits, Residential Energy credits, etc. As noted above, the US tax code should never again be used to "socially engineer" the country's citizens. The US income tax system should only be used to fund the operations of the US government.

The elimination of all tax preferences, along with the changes to the taxable income ranges and income tax rates will serve to address two issues. These changes would result in more aggregate "public" funds that would be available to the US Government to begin paying off the cumulative US debt. The elimination of special interest groups' tax preferences, along with the introduction of a 45% income tax rate will also serve to mitigate the negative effects on society that are attributed to the issue of income inequality (i.e., envy and an associated "sense of entitlement").

In regards to a related tax matter, our elected officials also need to bring to closure the ongoing debate about estate taxes. Congress needs to establish / finalize the threshold level beyond which an estate becomes taxable, along with the appropriate tax rate to be used for the taxable portion of an estate that is being passed from one generation to the next. The negative effects on society that are attributed to wealth inequality are similar to the issues regarding income inequality. We believe the current threshold level and rates are appropriate. However, a significant estate tax loophole that is currently available only to wealthy individuals (referred to as a Grantor Retained Annuity Trust, or GRAT) needs to be eliminated as soon as possible.

4. Welfare Reform

An individual's / family's eligibility for welfare should be assessed on an annual basis via their federal income tax return. All citizens should be accounted for each year in connection with the annual income tax return filing process.

There should be two new "check box questions" on the federal income tax return -

___ I (we) have assessd my (our) financial situation (assets owned, less debts owed) as of December 31, ____, but this net amount is less than the federal poverty guideline amount associated with my (our) filing status for this year's tax return

___ I (we) request that my (our) eligibility to receive welfare assistance be reviewed with a representative of the IRS and/or Social Security Administration

Taxpayers can elect to check the first box, and if so, can then elect to also check the second box, if they so choose.

Note: A change in an individual's / family's financial situation that occurs during the course of a year (i.e., due to the loss of a job, a medical situation, or any other "life event" change in circumstances) can accelerate such a review, which would be initiated by the taxpayer via a phone call to the IRS and/or Social Security Administration.

The IRS agent / Social Security Administration employee will make appropriate inquiries, obtain any necessary documentation and affidavits, etc, and make a determination whether that individual / family is eligible for welfare, and then provide to the individual / family a reference sheet listing the local Not For Profit charitable organization(s) within their geographic area that best meets that individual's / family's needs.

The responsibility for overseeing the country's welfare program should reside with the Social Security Administration.

Social Security employees, working with local charitable organizations that are established to provide assistance to welfare-eligible citizens, will work with these individuals / families to help them rise above a poverty level existence.

The Federal Unemployment payroll tax should be eliminated, as there should not be any cash welfare payments.

Four new national Not For Profit charitable organizations should be created to collect and distribute the 100% federal income tax credits for charitable contributions. The four related federal departments would be significantly transformed, as most of the federal government employees would move to these new national Not For Profit charitable organizations. The national Not For Profit charitable organizations would support the associated state / county level agencies that are tasked with the delivery of goods and services.

The four existing federal departments would continue to be overseen by the applicable cabinet level executive (Agriculture, Housing and Urban Development, Health & Human Services, and Education). Each of these federal agencies would transform itself from being an administrator / payor, and would become a clearing house regarding resources, information, and best practices that are available to assist the new national Not For Profit charitable organizations and the state / county level agencies. Each of these federal agencies would address each state's funding requests, and would recommend the allocation of any additional financial resources to the states via federal block grants, with oversight and approval of each year's funding from Congress.

The four existing federal departments would also oversee the IRS' approval of Not For Profit charitable organizations at the state/county level that provide goods and services to the country's citizens. These federal agencies would also have oversight of the operations of the national/state/county agencies and, along with the IRS, would have oversight of the tax returns of the associated Not For Profit charitable organizations.

States would be allowed to maintain their own state unemployment payroll taxes if they so choose, if that state would want to use those funds to support their state's / county level Not For Profit charitable organizations.

Beginning in 2020, there would no longer be any federal cash welfare payments to individuals (except for the transformed, means-tested Social Security benefit). It is recommended that there should also be no state cash welfare payments - the states should also provide only goods and services.

Individuals / families seeking welfare assistance will be given access to a listing of any open positions for employment that are available at state / local Not For Profit charitable organizations.

5. Reform / Transform Social Security over a multi-year transition period

The federal government needs to eliminate any further reference to the Social Security Trust Funds. The only assets currently held by the Social Security Trust are "intergovernmental wealth transfer obligations" (i.e., US debt). There is no cash in the Trust. Going forward, the cash flows (in and out) for Social Security should continue to simply be part of the aggregate cash flows of the federal government.

The number of active workers paying in to Social Security each year is now fewer that three workers per retiree. Life expectancy has increased significantly since Social Security was established in 1935. The current demographics of the country's population now require that fundamental changes be made to the Social Security program.

The country needs to honor its obligation to citizens who are currently receiving Social Security pension benefits. The transformation plan also needs to address the level of benefits to be paid to citizens who are approaching retirement. All citizens (regardless of age) should receive a return of all of their payroll withholdings paid into Social Security, including interest at 3%. Eventually, Social Security should be transformed into a purely welfare program, available to any elderly citizen who requires such financial assistance.

The Social Security tax rate should be increased in 2020 from 6.2% to 6.5%. The wage cap limitation for Social Security taxes should be eliminated in 2020. Social Security taxes will simply be considered a portion of a citizen's total tax obligation each year. Wages will no longer be taxed twice for both Social Security and Federal income tax purposes.

Social Security disability payments should be eliminated (see Welfare Reform). If a disabled person needs financial support from someone other than their family members, that person will have welfare benefits available to them, if they choose to elect to receive such benefits by making the appropriate notation on their annual federal income tax return. If approved for welfare, they will have access to the Not For Profit charitable organizations that specialize in mitigating their disability.

The financial administration of the Social Security system should be significantly simplified. Eventually (once Social Security has been transformed into a means-tested welfare benefit) the annual benefit should be capped at an amount equal to the applicable federal poverty guideline amount. If an individual needs to receive this welfare benefit, such a benefit would begin at the person's full retirement age (without exception). The current program feature that allows a person to receive reduced Social Security benefits early, or to receive an enhanced benefit later by electing to defer the start of benefits, should be eliminated. Citizens should make their personal financial plans based on the knowledge that they will be entitled to receive a known welfare benefit (if necessary), capped at the federal poverty guideline amount, beginning at their full retirement age. As is the case currently, people can continue to retire early, or delay their retirement, according to their own personal choice.

The following comments represent a recommended transformation plan over a multi-year transition period -

The 2020 Initiative - - Discussion Points and Recommendations

Beginning in 2020, the 6.5% payroll tax withholdings for Social Security would be used to satisfy a portion of an individual's / family's federal income tax obligations.

Beginning in 2020, all social security benefits received should be included in the calculation of taxable income.

Beginning in 2020, the full retirement age (which would apply to all citizens) would increase to age 68, and would be subsequently "indexed" based on subsequent changes in life expectancy.

The country would continue to honor its commitments to all retirees who are receiving Social Security benefits in 2020. These retirees' Social Security benefit would be grandfathered under the old rules, including their entitlement to future Cost of Living increases based on an annual inflation rate. This would include any individual who is less than 68 years old, who elected to start receiving reduced benefits early before their full retirement age.

Similarly, any person who is 64 as of January 1, 2016 (68 as of January 1, 2020) would also be grandfathered under the old rules. However, if their Social Security benefit exceeds the federal poverty guideline amount, there would be no "COLA" increase to their Social Security benefit until the federal poverty guideline amount begins to exceed their Social Security benefit.

Individuals who are between age 58 and 63 as of January 1, 2016 would be covered by new transition rules. These rules would guarantee a minimum percentage of the higher benefit level that would otherwise have been available to them under the old rules. In all cases, each person would be entitled to receive (regardless of any means testing) a Social Security benefit amount at least equal to the federal poverty guideline amount. Someone age 63 would be guaranteed 90% of the benefit available under the old plan. Someone age 62 would be guaranteed 80%, someone age 61 would be guaranteed 70%, and those individuals between age 58 to age 60 would be guaranteed 60% of the benefit available under the old plan (in all cases, provided that the guaranteed amount so determined is at least equal to the federal poverty guideline amount).

Individuals who are younger than age 58 as of January 1, 2016 would need to make their financial plans under the new rules that would be in effect starting in 2020. Generally, these citizens would only be able to receive a Social Security welfare benefit (starting at age 68) if their annual "means test" (as indicated on their federal income tax return) shows that they are eligible for welfare. However, under the Social Security transition rules, all citizens who are younger than age 58 as of January 1, 2016 would be entitled to receive a refund (starting at age 68) of all of their social security payroll tax withholdings that they contributed into Social Security via their payroll tax withholdings through the year ending December 31, 2019. [As noted above, starting in 2020, Social Security payroll tax withholdings will be used to satisfy a portion of a taxpayer's total federal income tax liability each year.] Interest compounded using a 3% interest rate would be added to the Social Security payroll tax withholdings through 2019, and this total would be refunded to the individual, starting at age 68. When an individual reaches age 68, they would begin to receive a Social Security benefit equal to the federal poverty guideline amount. Similar to the existing rules for social security, benefits would cease at death, even if the individual had not yet received the full amount that they had paid into Social Security. However, once they have received the total amount that they paid into Social Security via their payroll tax withholdings through the year 2019 (including accrued interest), their benefits would cease (unless they are eligible for welfare at that point in time).

Once the country's social security program has been transfomed, the original intent of providing a "financial security" benefit to elderly retirees who qualify for welfare will have been re-established. If an elderly retiree indicates on their annual federal income tax return that they qualify for welfare (and if upon review, this eligibility is confirmed), they would be entitled to receive a Social Security welfare benefit equal to the federal poverty guideline amount.

6. Reform US Healthcare programs - - Medicare, Medicaid, Obamacare // Health Insurance // Tort Reform

Similar to Social Security, the federal government needs to eliminate reference to the Medicare Trust Funds, as the only assets currently held by the Medicare Trust are "intergenerational wealth transfer obligations" (i.e., US debt).

Starting in 2020, the country would implement a two-level healthcare system that would be applicable to all US citizens, whether they are below age 68 or are Medicare-age-eligible. The primary healthcare delivery system will continue to be the existing commercial, private sector health insurance system, which is a regulated industry at the state level. The other option would be a transformed Medicaid option that would provide coverage under a nationalized, public (welfare) healthcare delivery system, administered at the state level, with bronze level coverages.

The 2020 Initiative - - Discussion Points and Recommendations

Starting in 2020, all Medical Care payroll tax withholdings collected by the federal government will be immediately remitted back to the applicable state. Until each state is self-sufficient in delivering the minimum level of care to its citizens, appropriate federal support (as approved by the US House of Representatives and US Senate) will be provided to each state each year in the form of a federal block grant. This block grant will be determined based on each state's demographics and the number of its citizens living below the federal poverty level.

The Department of Health and Human Services will determine the minimum healthcare entitlements of all US citizens (subject to approval by the US House of Representatives and the US Senate), which would be available under the public (welfare) bronze level healthcare option, available from the state, for those individuals/families who want to elect that level of coverage . The premium cost for this type of bronze level coverage will be established by the Department of Health and Human Services, subject to approval by the US House of Representatives and the US Senate, and this premium cost for the bronze level public health insurance coverage would be incorporated into the federal poverty guideline amount for individuals / various family sizes.

Similarly, the aggregate, total federal poverty guideline amount(s) for individuals / various family sizes (which includes the cost of food, housing, medical care, etc.) would continue to be established by the Department of Health and Human Services, subject to annual review and approval by the US House of Representatives and US Senate.

Starting in 2020, state governments, along with the applicable associated social service agencies within the state, would become responsible for overseeing the delivery of healthcare to their state's citizens (with certain financial support being provided to that state by the federal government, if needed).

State health insurance exchanges would continue to be the market place for employer-provided health plans, and for private health insurance policies for those individuals / families who are not covered by an employer-provided plan. The state's insurance regulators would continue to oversee the health insurance marketplace within that state, similar to practices in place today.

Individuals / families would be free to obtain their insurance coverage from their employer (if so offered, and if they so choose) or they can elect to own their own insurance policy, similar to any other type of insurance they acquire. Citizens should be allowed to acquire their own private health insurance policy from any insurance company in the country, including from an insurance company in another state, if that is the choice they would like to make.

Health insurance companies would continue to be free to offer Silver and Gold coverage plans to employers and individuals under the states' health insurance exchanges, similar to what they do today.

Individuals / families would continue to have the right to choose to pay higher premiums, and acquire a silver or gold level health insurance policy that has enhanced health insurance benefits / additional protections if that is what they choose to acquire.

Starting in 2020, the Medical Care payroll tax rate would be increased from 1.45% to 3.5%. All federal payroll tax withholdings and company / employer payroll taxes for Medical Care that are collected by the US government would be immediately remitted directly back to the applicable state.

In order to level the playing field between employed persons and self-employed persons, the value of employer-provided health insurance (including the value of any employer funded health insurance cost paid to an employee's union) would be included as wages on an employee's W-2.

Similarly, the value of governmental-agency-provided health insurance would be included as wages on the W-2s issued to public sector employees.

The US Supreme Court has ruled that the obligation to pay the cost of health insurance is a tax. Accordingly, in the event that an individual / family is not covered by health insurance during the year, the bronze level health insurance premium amount (as established by the Department of Health and Human Services and approved by Congress) would be collected via that individual's / family's federal income tax return, and any such tax amount collected by the federal government would be immediately remitted directly back to the applicable state.

The 2020 Initiative - - Discussion Points and Recommendations

The age for Medicare eligibility would increase from the current age 65 to age 68 by the year 2020, so that Medicare would match the full retirement age established for Social Security. The Department of Health and Human Services (subject to approval by the US House of Representatives and US Senate) would determine the minimum healthcare entitlements of citizens eligible for Medicare. This would become the bronze level of coverage available under Medicare. The Department of Health and Human Services (subject to approval by the US House of Representatives and US Senate) would also determine the Medicare premium cost for this bronze level of coverage, which citizens would pay to their state's healthcare program, for their particular Medicare insurance plan. Medicare-eligible citizens would continue to be able to purchase Medicare supplemental insurance coverage policies, if that is what they choose to do. Accordingly, beginning in 2020, Medicare would be transformed into a premium-support program. From a risk managment and cost perspective, healthcare costs for retirees over age 68 would initially in 2020 be borne 75% by Medicare (the other costs being covered by Medicare supplemental insurance coverage policies and / or personally). This premium support level would then be reduced by 5% each year for the next 3 years until eventually in 2023, 60% of the healthcare costs for citizens over age 68 would be borne by the public (taxpayers) and 40% would be a personal responsibility.

In order to address a major concern regarding the country's annual healthcare cost, bronze level coverage would primarily be established to cover a routine annual health exam, and would provide coverage for a major life threatening catostrophic event. As noted above, these coverages would be established by the Department of Health and Human Services, subject to approval by the US House of Representatives and the US Senate. Under the nationalized bronze level coverages, there would be a requirement that only generic prescription drugs be covered, and there would be significant state government oversight / approval of the services to be provided under the bronze level policy. In addition, there would be a major emphasis on preventive care under a bronze level policy. Many of these bronze level services would be provided by Not for Profit charitable organizations (which will be financially supported by changes to federal income tax policies regarding charitable contributions) which would fulfill various specific niche needs.

A key cultural change that needs to be implemented in connection with bronze level coverage is in regards to tort reform and legal liability protections. To ensure that healthcare providers will be able to deliver these bronze level healthcare services at the lowest possible cost, there should be significant legal liability protections offered to those doctors and service providers and the affiliated Not For Profit charitable organizations. Individuals / families who opt for bronze level coverage under the nationalized, public (welfare) healthcare option would need to be made aware that they are receiving these medical care services at "below market" cost, and therefore their ability to initiate damages claims against the government will be severely limited. It is recognized that unfavorable medical outcomes will inevitably occur - - any such matters / instances would initially be addressed at the state level, and the oversight of the states' processes to deal with these matters would be overseen at the federal level by a unit within the Department of Health and Human Services.