WASHINGTON, September 17 – Rep. Peter DeFazio (D-Ore.) and Sen. Bernie Sanders (I-Vt.) today introduced legislation to provide Social Security recipients an extra one-time payment next year of $250. Without the legislation, millions of seniors will see their Social Security checks shrink because – for the first time since 1975 – there will be no cost-of-living adjustment.

Unless Congress passes the Emergency Senior Citizens Relief Act, Social Security monthly benefits would drop because the cost of Medicare prescription drug premiums, which are deducted from Social Security payments, are scheduled to increase.

DeFazio said too many seniors are experiencing a decline in their living standards. “Failure to provide a cost-of-living increase for seniors could not come at a worse time. It would simply be unacceptable for seniors on fixed incomes to not receive the help they deserve to keep up with increased prices seniors pay for prescription drugs and medical care.”

Sanders said millions of senior citizens are especially hard hit by the recession. “Many have seen their savings disappear, their pension funds severely decline and the value of their homes dramatically diminish – all while poverty among seniors has gone up, as has the number of seniors declaring bankruptcy. Seniors deserve a fair increase in benefits to keep up with these added costs and economic hardships.”

Nearly 70 percent of beneficiaries depend on Social Security for at least half of their income, and Social Security is the sole source of income for 15 percent of recipients.

To pay for the benefits boost, the legislation Sanders introduced in the Senate and DeFazio offered in the House of Representatives would apply the Social Security payroll tax on household incomes above $250,000 and below $359,000 in 2010. Under current law, only the first $106,800 of earned income is subject to the payroll tax. A worker earning $106,800 pays the same payroll tax as a CEO who makes millions of dollars a year. Their legislation begins to correct that inequity in 2010, while making sure that seniors receive a fair increase in benefits next year.

No one earning $250,000 or less would see their taxes go up under the Sanders and DeFazio bills.