National Committee to Preserve Social Security & Medicare™
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July 17, 2012

United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, we respectfully request that the Fiscal Year (FY) 2013 Labor-HHS-Education Appropriations bill provide the Social Security Administration (SSA) no less than $11.76 billion for FY 2013 in administrative funding as recommended in the President's FY 2013 budget request for SSA. It is crucial that SSA be provided with this level of funding in order to fully meet its multitude of responsibilities and cope with the increasing demand in requests for assistance from the American public due in large part to the economic downturn, as well as the baby boom generation reaching retirement age.

As you know, 55 million Americans receive Social Security benefits each month. The benefits they receive from this program constitute a vital lifeline that is critical to their economic well-being. For many seniors, it is their only source of income. Given the essential nature of Social Security, and the increasing demands of an aging population, I believe it is extremely important that SSA be provided sufficient funds for operating expenses so it can meet the needs of the American people.

Despite SSA's enormous workloads and challenges, its administrative funding levels have been on the decline since 2010. As a consequence of operating at inadequate funding levels, the agency has had to institute a hiring freeze and terminate most employee overtime. Moreover, SSA has suspended the mailing of annual earnings and benefits statements to millions of beneficiaries who rely on the statement to properly prepare for a secure retirement. We understand that fully funding the President's request will enable SSA to resume production of statements for all American workers who are, by law, entitled to receive them.

Furthermore, we believe the Appropriations Committee should consider several initiatives that would serve to strengthen the Social Security system and further improve the services that SSA provides:

- **Instruct the Department of Labor to undertake the necessary work needed to finalize the Consumer Price Index for Elderly Consumers (CPI-E).** While the CPI-E has been in use since the 1980s, it is still technically considered "experimental," which presents a barrier to implementing legislation such as the Rebuild America Act (H.R. 5727), which would calculate cost-of-living adjustments for Social Security benefits using the more accurate CPI-E rather than the currently-used CPI-W. Directing the

Department of Labor to undertake the necessary work needed to finalize the CPI-E would be an important step forward.

- **Direct SSA to resume the mailing of annual Social Security account statements in accordance with section 1143(c)(2) of the Social Security Act.** One of the key ways to instill confidence in the public about our Social Security system is to remind all citizens about the benefits they have earned through their hard work and contributions. Unfortunately, citing funding cuts, SSA has stopped sending out statements to every worker annually. Instead, statements are now only sent when a person turns 25, and at age 60, when they begin to near retirement age. This not only makes it difficult for workers to identify and correct a problem if their wages are reported incorrectly, but also makes Social Security seem much more remote to workers while they are contributing to the program. We feel strongly that the cost of these statements is small enough that it is far outweighed by the upside of making sure that all Americans are well-informed about the benefits they are earning.

- **Require SSA to provide an opportunity for public hearings about the closing of field offices, and report to the committees of jurisdiction about why the decision was made to close a specific office.** Social Security offices provide a number of crucial public services for some of the most vulnerable populations, including people who are very low income or have serious disabilities. Unfortunately, in many cases today, when SSA makes the decision to close an office, the public does not have much notice that they are about to lose this important service in their community, and are not guaranteed a right to be heard. We believe this could be remedied by requiring SSA to, at an absolute minimum, provide an opportunity for a public hearing about the closing, and a report to the committees of jurisdiction about why the decision was made to close that specific office.

- **Direct SSA to improve educational outreach by providing letters to parents when their children are born or adopted and resuming efforts to educate students about the benefits that our Social Security system provides.** The birth or adoption of a child presents a major "teachable moment" for our Social Security system whereby SSA can educate parents about the protections they have earned for their new child and family. Likewise, resuming efforts to educate students about the benefits that our Social Security system provides – including life insurance and disability insurance, which many Americans are not aware of until they need it – is key to letting our young people know that Social Security benefits will be there for them.

Again, we urge you to include these initiatives in the Labor-HHS-Education Appropriations bill and to provide SSA with at least $11.76 billion for FY 2013, as recommended in the President's 2013 budget. Full funding of the FY 2013 SSA budget request is critical to maintain staffing in the agency's front-line components, process core workloads, cover inflationary cost increases, continue efforts to reduce hearing and disability backlogs, and increase cost-saving program integrity initiatives. Without this level of funding, SSA will be unable to cope with the continued increase in demand for services and maintain the progress it has already made in

providing satisfactory service delivery to senior citizens, people with disabilities and others who rely on Social Security.

We sincerely appreciate your attention to these important issues, and look forward to working with you to protect and improve our Social Security system.

Sincerely,

Max Richtman

Max Richtman
President and CEO