



## SOCIAL SECURITY

The Commissioner

January 20, 2012

The Honorable Herb Kohl  
Chairman, Senate Committee on Aging  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for your December 7, 2011 letter concerning the Social Security Statement. I am happy to announce that we plan to resume the mailing of paper statements to workers 60 and over in February and to select groups of younger workers by the end of the year. I appreciate your continued concern and welcome the opportunity to respond.

As I mentioned previously, we have been under increasing budgetary constraints over the past few years. Our available funding in FY 2012 is almost \$400 million less than what we operated with in FY 2010. At the same time, our fixed costs and our workloads continued to increase. Although our FY 2012 appropriation is about \$25 million more than we received in FY 2011, it will not cover our more than \$300 million increase in fixed costs.

Budget shortfalls force us to make some very difficult decisions to preserve our most critical commitments. We cannot replace most of the experienced staff who leave the agency. We discontinued service at temporary remote sites, consolidated offices, and reduced the hours our offices are open to the public. We also had to suspend some of the notices we mail, including the Statement.

I have enclosed a document that addresses your specific concerns and provides more information on our cost-saving measures. We would be happy to brief you or your staff on the details of our plan for the Statement.

I hope that the information I have provided is helpful. I am sending a similar letter to Senator Nelson.

If you have any questions or if I can be of further assistance, please contact me or have your staff contact Mr. Scott Frey, our Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030.

Sincerely,



Michael J. Astrue

**1) When will SSA resume mailing the Statement to beneficiaries over 25?**

We plan to resume mailing paper Statements to workers age 60 and above in February 2012. In the coming months, we will introduce an online Statement service alternative to provide workers immediate access to their Statement information. If workers age 60 and over choose to do so, they will have the option to sign up for the online Statement service in lieu of receiving a paper statement. Later this fiscal year, we also plan to resume first time mailings to workers at age 25. These first time mailings will include a Welcome to Social Security insert that will provide information about the benefits that workers are eligible for under our programs, where they can find more information about our programs, the services we offer, and what business they can transact with us online, including signing up for access to our online Statement. Individuals who are unable to access their information through these service channels will be able to request a paper Statement.

**2) How much would it cost the agency to resume mailing the Statement to beneficiaries over 25? What percentage of SSA's administrative budget would this cost represent?**

It would cost us nearly \$70 million in FY 2012 to send Social Security Statements to eligible workers age 25 and over. Although \$70 million represents just over half a percent of our entire administrative budget, suspending Social Security Statements, along with other cost savings measures, are necessary to maintain our most critical services.

**3) If the agency does not anticipate resuming mailing the Statement as required by the Social Security Act, has SSA considered any alternatives, such as an abbreviated version of the statement or a biennial mailing, that would fall short of a full suspension of mailing the Statement? If it has, has the agency consulted with Congress to amend its statutory requirements in regards to the Statement?**

We considered a number of alternatives before suspending the mailing of Statements. We believe that our chosen approach modernizes and improves the benefit and earnings information we provide to the public while also meeting the requirements of the Act. At this time, we do not believe it is necessary to amend the statutory requirements related to the Statement with Congress. After the release of our new online Statement and the limited mailing process, we will evaluate whether any additional steps are necessary to provide a Statement to eligible individuals.

**4) Has the agency explored any other cost-cutting endeavors outside of the elimination of mailing the Statement, and if so, what are they?**

We continuously explore and implement a number of cost-saving measures. Recently we have reduced costs in many key areas, including agency travel, employee information technology devices (such as computer workstations and laptops), and printing and publications. These measures saved us more than \$100 million in FY 2011 and helped to mitigate the effect of our budget shortfall on our front line service. We would be happy to meet with you or your staff if you would like additional information related to our cost-saving measures and our current budget situation.

**5) Has the agency decided not to fund any other statutory requirements?**

Due to budget constraints, we have significantly reduced the level of statutorily mandated workloads such as those related to program integrity, benefit applications, and other critical services.

**6) What is the timing of SSA's transition to online statements? Has the agency evaluated barriers to access for workers with lower incomes, lower education, limited English language proficiency and/or limited access to computers? How will the agency publicize its effort to transition to the online statement?**

We expect to introduce the online Statement service option soon after we resume mailing the Statement to workers aged 60 and over. We are currently testing the online Statement to ensure we can support the demand for this new service. In some cases, mailed statements will be available upon request to persons who need a Statement but cannot use the online service. These individuals may include victims of domestic violence or identity theft who have blocked electronic access to agency services. Spanish language versions of the Statement will continue to be available upon request. The online Statement service option will also provide greater access to the Statement for people who use assistive devices on their computers than the mailed paper version.

We are developing a comprehensive communication strategy to inform the public about the new online Statement option. We plan to reach the public through traditional media channels like newspapers, radio, and television, as well as through newer media that includes RSS feeds, Facebook, Twitter, and other electronic vehicles. We will work with key stakeholder and advocacy groups to ensure the message is delivered consistently and repeatedly.