

# United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

December 7, 2011

The Honorable Michael J. Astrue  
Commissioner  
U.S. Social Security Administration  
6401 Security Boulevard  
Baltimore, MD 21235

Dear Commissioner Astrue,

We are writing to follow up with you concerning your plans for producing and mailing the annual Social Security Statement (the Statement) to workers. In your July 13, 2011, letter, you explained that an anticipated budget shortfall prompted the agency's decision to suspend mailing the Statement to more than 150 million American workers. In advance of the passage of an appropriations bill for the remainder of fiscal year 2012, we have several questions for the Social Security Administration (SSA) and its plans for the Statement moving forward.

We are sensitive to the economic realities that every federal agency, including SSA, faces, and the idea that tighter budgets prompt difficult choices. However, as Chairman and a member of the Senate Special Committee on Aging, we have been working to help prepare seniors and future beneficiaries for retirement. As you noted in your letter, millions of Americans rely on this Statement to make crucial decisions about retirement planning. Roughly two-thirds of all beneficiaries rely on Social Security benefits for a majority of their income in retirement, and more than half of that group relies on Social Security benefits for at least 90 percent of its income.<sup>1</sup> A recent study by the Center for Retirement Research at Boston College shows that the Statement makes recipients more knowledgeable about their future benefits, equipping them with the tools they need to prepare for retirement. The Statement also provides a key link between SSA and younger workers who may erroneously believe that they will not receive any benefits upon retirement. Finally, it provides an important tool for workers to check their recorded earnings and taxes paid for errors, something that would be much more difficult, if not impossible, to do when they begin applying to receive benefits upon retirement.

In your letter, you explained that you planned to resume mailing the Statement to those ages 60 and older, along with any other individuals who request the Statement. You also discussed plans to make the Statement available online. We do not consider the online option to be an adequate replacement because many Americans do not have access to the Internet, and many of those people would feel uncomfortable accessing secure information at a place such as a public library. Furthermore, as the attached Congressional Research Service memo makes plain, SSA is required under Section 1143(c)(2) of the Social Security Act, 42 U.S.C. § 1320B-13(c)(2), to mail the statement to all eligible individuals ages 25 and older.

---

<sup>1</sup> Fast Facts & Figures About Social Security, 2011, Social Security Administration, SSA Publication No. 13-11785 (published August 2011).

You cited as legal authority opinions from the Department of Justice and the Government Accountability Office that set forth the idea that an agency reasonably anticipating a budgetary shortfall has both the authority and duty "to curtail or discontinue programs and activities, including activities required by statute." In late March, without consulting Congress or publicly detailing any alternative cost-cutting measures, SSA decided to act under this authority and suspend the Statement for the remainder of Fiscal Year 2011. In this era of fiscal restraint, we still recognize that SSA continues to face difficult challenges in Fiscal Year 2012, and we hope that you are exploring more cost-effective ways to inform future retirees about their expected benefits. Therefore, I would like you to respond to the following questions and furnish this documentation by electronic mail, fax, or hand delivery, no later than close of business on January 20, 2012:

- 1) When will SSA resume mailing the Statement to beneficiaries over 25?
- 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?
- 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?
- 4) Has the agency explored any other cost-cutting endeavors outside of the elimination of mailing the Statement, and if so, what are they?
- 5) Has the agency decided not to fund any other statutory requirements?
- 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?

Thank you for your time and consideration of this matter. Please contact Joel Eskovitz on the Special Committee on Aging staff at (202) 224-5364 if you have any questions about this request.

Sincerely,



Herb Kohl  
Chairman



Bill Nelson  
U.S. Senator