



LEGISLATIVE ALERT

September 30, 2015

Dear Senator,

The AFL-CIO stands in strong support of S 2090, “The Social Security Earned Payment Act of 2015,” introduced by Senator Wyden. S. 2090 is a common-sense Social Security proposal that will protect the earned benefits of millions of disabled Americans.

Our Social Security system is fundamentally sound with an overall surplus of \$2.8 trillion, enough to pay 100 percent of all earned benefits, both disability and retirement, through 2034. A shortfall in the disability fund, however, is projected near the end of 2016. This shortfall is neither a surprise nor a crisis. It has occurred because the current formula for allocating Social Security contributions between the Old Age and Survivors Insurance Fund (OASI) and Disability (DI) trust funds is out of balance – a problem first projected by program actuaries in 1995 and one that can and should be easily addressed.

“The Social Security Earned Payment Act” provides a simple reallocation of the payroll contribution percentage that goes into each fund, with no strings attached to harm current or future beneficiaries. Reallocation is a routine practice. Congress has shifted contribution rates 11 times, sometimes shifting to the OASI fund, other times to the DI fund, and always with bipartisan Congressional support.

Without Congressional action, monthly benefit payments to disabled workers and their dependent children and spouses will be slashed by 19 percent. An across the board cut would mean that 10.8 million disabled workers and their dependents who receive an average of \$1,165 a month, would see their benefits cut to about \$943. Allowing this to occur is both mean-spirited and unnecessary.

Congress can put both of Social Security’s trust funds on a stable financial path by enacting “The Social Security Earned Payment Act of 2015.” We urge swift action so Congress can turn its attention to our growing national retirement income crisis by strengthening and expanding Social Security benefits for the future.

Sincerely,

William Samuel, Director
Government Affairs Department