



# Leadership Council of Aging Organizations

*Debra B. Whitman, Chair*

January 20, 2015

The Honorable John A. Boehner  
Speaker, U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader, U.S. House of Representatives  
H-204, The Capitol  
Washington, DC 20515

Dear Speaker Boehner and Leader Pelosi,

The Leadership Council of Aging Organizations (LCAO) is a coalition of 72 national nonprofit organizations concerned with the well-being of America's older population and committed to representing their interests in the policy-making arena. I write today to express our deep concern over the inclusion of a provision in the House rules for the 114th Congress (H. Res. 5) that limits the House's ability to consider the full range of options to protect benefits under the Social Security Disability Insurance (DI) program.

Congress needs to act, as it has done many times in the past, to reallocate existing payroll taxes between Social Security's DI and Old-Age and Survivors' Insurance (OASI) trust funds. When Congress last acted to rebalance the two funds in 1994, it was clear it would have to take action again in 2016. The 1995 Social Security Trustees Report showed that the DI reserves would be depleted in 2016, primarily due to a rapid, but temporary, increase in the number of DI beneficiaries as baby boomers passed through their 50s and early 60s when the risk of disability is greatest.

Currently, the typical DI beneficiary is in his or her late 50s. Seventy percent are over age 50, and 30 percent are 60 or older.<sup>1</sup> These beneficiaries depend on DI benefits for a significant portion of their income. Without DI benefits, fifty-five percent of families with a disabled worker would have incomes below the poverty line. And, since they continue to receive the same level of benefits as they age into their retirement years, the DI program helps to ensure that these disabled workers don't fall into poverty in their later years.

Another factor that has led to an increase in the number of DI beneficiaries is a rise in the full retirement age. When DI beneficiaries reach Social Security's full retirement age, they begin

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<sup>1</sup> [http://www.ssa.gov/OACT/ProgData/benefits/da\\_age201312.html](http://www.ssa.gov/OACT/ProgData/benefits/da_age201312.html)

receiving Social Security retirement benefits rather than DI. The increase in the full retirement age to 66 has delayed that conversion. In December 2013, more than 450,000 people between ages 65 and 66 – over 5 percent of DI beneficiaries – collected DI benefits. Under the rules in place until 2003, they would have received retirement benefits instead. This is just one example of how closely the retirement and disability components of Social Security are interwoven.

As outlined by Social Security's actuaries, both trust funds would be able to pay full scheduled benefits through 2033 by temporarily raising the 1.8 percent DI share of the current 12.4 percent Social Security payroll contribution to 2.8 percent in 2015 and 2016, and then gradually reducing it back to 1.8 percent by 2025. Congress has reallocated between Social Security's funds in this manner about equally in both directions to keep the system on an even reserve ratio. Reallocation does not require any new taxes and will maintain the long-term solvency of the combined Social Security trust funds at 2033, as currently projected.

Reallocation, without accompanying cuts to Social Security coverage, eligibility, or benefits, is a common-sense, responsible solution. Unfortunately, the provision in the House rules undermines Congress's ability to fully consider all potential legislative solutions, in particular those options successfully utilized many times in the past.

By characterizing the amendment as “protect[ing] the Old-Age and Survivors Insurance (OASI) Trust Fund from diversion of its funds to finance a broken Disability Insurance system,” Members ignore that a significant majority of those being served by the DI program are, in fact, older adults. We reject any efforts to pit older adults against people with disabilities, and recognize that one of the strengths of our Social Security system is that it is universal and comprehensive.

We are alarmed that the House of Representatives would adopt rules of such importance to the future of Social Security with no public dialogue or opportunities for input from your constituents, and we urge you to reject such an approach in the future.

Sincerely,

A handwritten signature in black ink that reads "Debra B. Whitman". The signature is fluid and cursive, with the first name "Debra" being the most prominent part.

Debra B. Whitman  
Chair, Leadership Council of Aging Organizations (LCAO)

cc: Members, House of Representatives