CONSORTIUM FOR CITIZENS WITH DISABILITIES

November 30, 2012

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable John A. Boehner
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Leader Reid, Leader McConnell, Speaker Boehner, and Leader Pelosi,

The undersigned organizations are writing to express our strong opposition to including **any** changes to the Social Security programs in the deal currently being negotiated to avoid the Budget Control Act sequester. We support thoughtful efforts to strengthen the Social Security system's long-term financing but changes to the programs should not be made in the context of deficit reduction. The Social Security system is a vital part of our social insurance safety net and protects some of the poorest and most vulnerable Americans. Careful consideration should be given to the potential impact on seniors and people with disabilities before making any changes to such critical programs.

Specifically, we are opposed to changing the measure on which the Cost of Living Adjustment (COLA) to Social Security and Supplemental Security Income (SSI) benefits are based, from the current CPI-W to the "chained" CPI. Although some might describe use of the "chained" CPI as a mere technical change, it will likely have dramatic impacts on current and future Social Security beneficiaries. For a beneficiary receiving the average 2012 Disability Insurance benefit, benefits would be cut by about $347 per year (2.6%) after 10 years, $720 (5.4%) after 20 years, and $1,084 per year (8.13%) after 30 years. These cuts could be devastating and force people to make terrible life and death choices between paying for a prescription or buying food.

In addition, using the "chained" CPI to calculate the Social Security COLA would:

- Result in a significant, two-part cut in SSI benefits. Unlike Social Security, where initial benefits are based on a worker's wage history, the SSI initial payment levels are based on a federal benefit rate that is adjusted using the CPI-W. Using the "chained" CPI, the SSI initial payment levels would grow at a lower rate, meaning that a person's benefits would be cut even prior to application – and then would be cut a second time through lower cost-of-living adjustments;

- Result in a lower substantial gainful activity level for Social Security and SSI disability beneficiaries in accordance with adjustments in the retirement earnings test (RET) and Average Wage Index (AWI) that are triggered by the Social Security COLA;
- Result in a significant benefit cut for the Military Retirement and Veterans' Pension Benefit Programs, which by law receive a COLA based on the Social Security COLA, and for Veterans' Disability Compensation, which receives a COLA enacted each year by Congress that provides an adjustment equal to the Social Security COLA.

Furthermore, if applied government-wide, the "chained" CPI would affect many other programs that are vital to people with disabilities. For example, income eligibility standards under the Supplemental Nutrition Assistance Program (SNAP; formerly known as the food stamp program) and the Child Nutrition Programs (including the school meal programs) are based on changes in the federal poverty income guidelines and are indexed annually based on the CPI-U. Applying the "chained" CPI to the federal poverty income guidelines would likely result in fewer adults and children with disabilities qualifying for SNAP and the Child Nutrition Programs. Eligibility would also be reduced for other critical programs that use the federal poverty guidelines, including Head Start and the Low-Income Home Energy Assistance Program (LIHEAP).

Millions of people with disabilities and their families rely on the Social Security disability, retirement, and survivors programs, SSI, Veterans' Disability Compensation, and other programs affected by the "chained" CPI to meet their basic needs. The undersigned groups strongly support taking steps to achieve the long-term financial solvency of Social Security. We understand that it is vitally important to take steps to strengthen the long-term financing of the Social Security system so that it can continue to provide the critical income support on which many of the most vulnerable members of our society depend.

Social Security benefits, however, are already very modest and should not be cut. The average monthly benefit amount in September 2012 for a Disability Insurance program beneficiary was only $1,111 - an annual income of just $13,332. The average monthly benefit for a Retirement Insurance beneficiary was only slightly higher at $1,237 ($14,844 per year).

Social Security beneficiaries rely on the benefits for a significant portion of their income. Social Security disability benefits comprise more than 90 percent of the total income for almost half of non-institutionalized disabled workers, and more than 75 percent of total income for the vast majority of disabled worker beneficiaries. Social Security benefits equal half or more of the **total** family income for about half of disabled worker beneficiaries. Poverty rates among disabled worker beneficiaries are twice as high as for other Social Security beneficiaries but would be even higher if not for Social Security Disability Insurance benefits.

The same is true for beneficiaries of Social Security retirement benefits. The average yearly benefit for the lowest 20% of income earners receiving retirement benefits in 2008 was $10,206 and that represented 94% of their family income. Any cut to benefits will likely mean that a basic need (like food, medicine, or shelter) will not be met for the people who depend almost entirely on Social Security benefits.

We strongly support thoughtful efforts to strengthen the Social Security's long-term financing. The sooner such action is taken the better as the modest changes that are required to restore long-term actuarial balance to the program can be made gradually and fairly given enough time to so implement the changes. Strengthening Social Security does **not** require cutting benefits. Changing the COLA to be based on the "chained" CPI would do just that.

We urge your support in opposing the inclusion of any changes to the Social Security programs in negotiations to avoid the sequester, including changing the COLA to the "chained" CPI. For more information, please contact Lisa Ekman at 240-463-5612 or lekman@hdadvocates.org.

Thank you for considering our comments.

Sincerely,

ACCSES
American Association of People with Disabilities
American Council of the Blind
Association of Assistive Technology Act Programs
Association of University Centers on Disabilities
Bazelon Center for Mental Health Law
Brain Injury Association of America
Children and Adults with Attention-Deficit/Hyperactivity Disorder
Community Access National Network
Community Legal Services of Philadelphia
Council of State Administrators of Vocational Rehabilitation
Disability Rights Education and Defense Fund
Disability Rights Legal Center
Easter Seals
Epilepsy Foundation
Goodwill Industries International
Health & Disability Advocates
Mental Health America
National Alliance on Mental Illness
National Association of Councils on Developmental Disabilities
National Association of County Behavioral Health and Developmental Disability Directors
National Association of Disability Representatives
National Association of Private Special Education Centers
National Association of State Head Injury Administrators
National Council for Community Behavioral Healthcare
National Council on Independent Living
National Down Syndrome Congress
National Industries for the Blind
National Multiple Sclerosis Society
National Organization of Social Security Claimants' Representatives
National Rehabilitation Association
National Respite Coalition

NISH
Paralyzed Veterans of America
The Arc of the United States
United Cerebral Palsy
United Spinal Association
Vietnam Veterans of America (VVA)

CC: Members, United States Senate
Members, United States House of Representatives