We built our Social Security system because it is the most efficient, secure, universal, and fair way for Americans to replace wages in the event of death, disability, or old age. The importance of insurance under Social Security cannot be overstated. Through their hard work and payroll tax contributions, nearly all American workers earn Social Security’s retirement, disability, and survivorship protections for themselves and their families.

Our Social Security system has withstood the test of time. It represents the best of American values—rewarding hard work, honoring our parents, caring for our neighbors, and taking responsibility for ourselves and our families. It is based on a promise that if you pay in, then you earn the right to guaranteed benefits.

Like our interstate highway system, however, Social Security requires periodic maintenance to remain strong. In survey after survey, the American people say loudly and clearly that they overwhelmingly value Social Security highly and want Congress to strengthen – not erode – this bedrock of our nation’s prosperity.

The undersigned organizations urge Congress to address the need to maintain a vital part of our Social Security system: Social Security Disability Insurance, or SSDI. As anticipated for several decades, Social Security’s Disability Insurance (DI) fund reserves are projected to be depleted at the end of 2016, at which point revenue coming into the system would cover only about 80% of benefits to current and future beneficiaries.

We urge Congress to ensure that all parts of our Social Security system can pay full scheduled benefits through 2034 either by merging Social Security’s OASI and DI trust funds into a single fund, or through a modest temporary reallocation of part of Social Security’s 6.2% tax rate from the Old-Age and Survivors Insurance (OASI) fund to the DI fund. Congress has reallocated tax rates between the two funds 11 times in the past. About half the time it increased the share going to the OASI fund and about half the time it increased the share for DI. Congress has never failed to act when it was necessary to rebalance the two funds, and it has consistently done so in a bipartisan fashion without controversy. It is time now for Congress to act once again.

The need for Congress to act now is no surprise. Congress last enacted legislation to address Social Security’s finances in 1994. The 1995 Social Security Trustees Report then showed that the DI fund reserves would deplete in 2016, due to a larger part 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. As expected, the growth in SSDI is now leveling off as boomers enter retirement and shift to OASI benefits. In brief, the need for Congress to act to secure
SSDI’s finances by the end of 2016 reflects a long-anticipated, but temporary, shift in the funding requirements of the two funds. Reallocation or merging the funds is a sensible solution that would not affect the long-term financing of the overall Social Security system, which would remain solvent through 2034.

The alternative – allowing an abrupt cut in Social Security for 11 million Americans, including the 7 in 10 SSDI beneficiaries age 50 or older – is unthinkable. The onset of a disability can be a life-altering experience that puts workers and their families at extreme financial risk. Most workers have very limited personal savings to fall back on, and only a third of civilian workers have long-term disability insurance through their jobs.

SSDI is an economic lifeline that protects workers and their families from dire financial hardship. The average benefit for a worker with a disability is a little more than $1,100 a month, or about $40 per day. These modest benefits keep millions of people from deep poverty, even homelessness, and serve as the sole or main source of income for about 80 percent of beneficiaries. Without SSDI, about half of beneficiaries would live in poverty; even with SSDI, most have low incomes. Any cuts to benefits, coverage or eligibility could lead to truly devastating effects for both the 11 million Americans who currently receive SSDI, and for the 165 million workers who pay into Social Security today and may need SSDI in the future.

For these reasons, the undersigned organizations urge Congress to keep Social Security’s promise by either merging or rebalancing the Social Security funds to ensure the financial security of all parts of our Social Security system through 2034, and to reject proposals to cut Social Security benefits, coverage, or eligibility. This is necessary to preserve confidence in our Social Security system and protect the economic well-being of both current and future beneficiaries.

Sincerely,

[Sign-On Letter]