



COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

**Letter for the Record by Maya MacGuineas
President, Committee for a Responsible Federal Budget
House Committee on Ways and Means
Subcommittee on Social Security
Hearing on “Comprehensive Legislative Proposals to
Enhance Social Security”
April 10, 2019**

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Chairman Larson, Ranking Member Reed, and Members of the Subcommittee:

On behalf of the Committee for a Responsible Federal Budget, I want to thank you for holding a hearing on comprehensive Social Security legislation. As you consider changes to Social Security, we urge you to focus on pursuing legislation that would make the Social Security program sustainably solvent for the foreseeable future. A plan should not be considered comprehensive unless it addresses the large imbalances between the program's future revenue and costs. We want to commend Chairman Larson for putting forward a Social Security reform plan that would meet this test. We also applaud Ranking Member Reed's call for working on a bipartisan basis to fix Social Security – the ultimate solution will require the support of both parties and should put all options on the table.

According to the program's own trustees, Social Security is only 15 years from insolvency – meaning the trust fund will be depleted when today's newest retirees turn 77. As a result, Social Security can no longer guarantee full benefits for *current* retirees under current law, let alone current workers and their children. Social Security's financial problem is not some future problem, but rather it is one that must be addressed very soon.

Any solution to avoid insolvency, and the 22 percent across-the-board benefit cut that would accompany it, must be long lasting. It would be a mistake to simply kick the can down the road a few years, leaving today's mess for future policymakers to clean up. Social Security legislation should therefore meet the test of “sustainable solvency,” whereby it is projected to keep the trust fund solvent over the next 75 years and bring costs and revenues roughly in line at the end of the projection window.

To our knowledge, Chairman Larson's Social Security 2100 Act is the only legislation introduced this Congress that would assure a lasting fix to Social Security by restoring the program to sustainable solvency.

Other plans introduced or put forward in recent years – including former Chairman Sam Johnson's Social Security Reform Act of 2016, former Congressman Reid



Ribble's S.O.S. Act of 2016, and the plan from the Bipartisan Policy Center's Commission on Retirement Security and Personal Savings – would also achieve this goal.

We encourage the subcommittee to explore these and other plans as you weigh the tradeoffs necessary in assuring we secure Social Security for current and future generations. Our interactive tool, the Social Security Reformer (available at <http://www.SocialSecurityReformer.org/>), can help you design the contours of your own plans. Any bipartisan solution will likely require some mix of benefit and revenue adjustments.

The choices you make should be consistent with the goals of strengthening retirement security, promoting economic growth, offering certainty and predictability to workers and retirees, and – most importantly – ensuring the program can pay full benefits without borrowing from future generations. No plan can reliably achieve these goals if it does not put the program on a sustainable track. We look forward to working with you all, on a bipartisan basis, in an effort to do so.

Thank you for your focus on this important issue.

Sincerely,

Maya MacGuineas
President
Committee for a Responsible Federal Budget