



...don't cut it.

July 6, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230, U.S. Capitol
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Charles Schumer
Democratic Leader
U.S. Senate
S-221, U.S. Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

The Strengthen Social Security Coalition is a broadly-diverse coalition comprised of over 350 national and state organizations representing seniors, working families, people with disabilities, women, people of color, veterans, low-income Americans, and many others. Together, the organizations represent more than 50 million Americans.

The Coalition strongly urges you to correct a technical problem with the way initial Social Security benefits are calculated – a problem that has only been revealed by the unprecedented conditions of the COVID-19 economic crisis. If left unchanged, the problem will produce a COVID-19 notch: Those turning 60 this year – more than four million of them – and their families will receive substantially lower Social Security benefits than those with identical earnings who turned 60 last year and their families.

Congress should avoid the notch by passing corrective legislation as soon as possible – ideally as part of the next emergency legislation you enact. The problem is complicated, but the solution is simple and straightforward.

The problem is caused because Social Security's earned benefits are based on each worker's individual earnings history appropriately adjusted to reflect the growth in aggregate economy-wide wages. Aggregate wage levels normally rise from year to year. Indeed, in 1977, when Congress enacted the current benefit formula, it did not anticipate that there would ever be a drop in aggregate nationwide wages. Therefore, it did not write the benefit formula to address that

possibility. Because of that understandable oversight, benefits paid to those born in 1960 and their families will be significantly lower than the benefits paid to people (and their families) who earned the same amount but are just one year older, if, as is likely, aggregate wages drop significantly in 2020.

Today's Congress should fix the unanticipated problem with a simple correction that mirrors the protections already in place in other parts of our Social Security system. As just one example, Social Security's automatic annual cost of living adjustment can never decrease benefit levels, notwithstanding the economy.

The easy fix is to simply legislate that initial benefits too can never decrease as a result of what is happening with aggregate wages nationwide. That simple fix – ensuring that the decline in overall wages doesn't produce lower initial benefits – solves the problem. Those turning 60 this year will not get less than those who turned 60 last year.

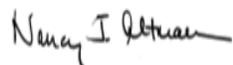
Congress should enact this change in a carefully constructed way, so that no one receives lower benefits as a result. It should do so as quickly as possible.

Americans should not have to worry about whether Congress will prevent an unintended loss of several thousand dollars a year of Social Security benefits for those unlucky enough to turn 60 (and their families) during this unprecedented economic crisis. If left unaddressed, the COVID notch is almost certain to generate intense, longstanding, understandable anger and frustration by those affected towards their elected Senators and Representatives.

Because this is an issue that, if not corrected, adversely affects millions of Americans living in every Congressional district and state, we hope that it can be expeditiously corrected on a bipartisan basis.

Thank you for your consideration. We look forward to working with you to resolve this matter quickly.

Sincerely,



Nancy J. Altman, Chair
Strengthen Social Security Coalition