

TESTIMONY OF
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DEPUTY EXECUTIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
HOUSE OF REPRESENTATIVES
WAYS AND MEANS SOCIAL SECURITY SUBCOMMITTEE
COMPREHENSIVE LEGISLATIVE PROPOSALS TO ENHANCE SOCIAL SECURITY
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Chairman Larson, Ranking Member Reed, members of the subcommittee, I am Shaun Castle, Deputy Executive Director for Paralyzed Veterans of America (PVA) and I want to thank you for the invitation to testify today on the importance of Social Security to millions of veterans like myself and to express our organization's views on ways to preserve and strengthen this valuable program. PVA is the nation's only congressionally-chartered veterans service organization representing veterans with spinal cord injuries or disorders. PVA's mission encompasses advocacy not only on behalf of veterans - both service-injured and non-service injured - but also on behalf of all individuals with injuries to or disorders of the spinal cord.

Social Security is a vital social insurance program that Americans have paid into to fund retirement, disability and survivor benefits earned throughout their work life. Military service has been covered by Social Security since 1957. According to the most recent statistics from the Social Security Administration, over nine million veterans receive Social Security benefits – either retirement or disability - accounting for 18 percent of all adult beneficiaries. In fact, veterans and their families comprise 35 percent of the Social Security recipient population.¹ While PVA is and always will be a strong supporter of the VA system of health care and compensation benefits, we recognize that, with just a few exceptions, its dominant focus, particularly as it relates to benefits, is veterans with

¹Social Security Administration, Research, Statistics and Policy Analysis, Population Profiles, Veteran Beneficiaries, 2018, <https://www.ssa.gov/policy/docs/population-profiles/veteran-beneficiaries.html>.

service-connected disabilities. For the broader population of veterans with disabilities, it is Social Security that offers a more comprehensive system of supports not only for veterans themselves but their spouses, dependents, and survivors.

Due to their catastrophic disabilities, most of PVA's members would likely be eligible for Social Security disability insurance (SSDI). For those who have non-service-connected disabilities, SSDI may be their only source of financial assistance if they are unable to work.

Over the years, PVA has heard from many members about the value of Social Security in their lives and that of their families. In 2017, David T. from Florida wrote to us when cuts in benefits were threatened,

I am an honorably discharged veteran of the Army who sustained a spinal cord injury after military service and - as a result – my wife and I rely on Social Security Disability Insurance [roughly \$1100/month] as the main source of support for the family. Further cuts will just make that worse.

Then, there is Gus S. from Wisconsin – a Silver Star decorated Vietnam Veteran who was involved in a serious auto accident sixteen days after his discharge from the military, leaving him a quadriplegic. He said,

SSDI saved my life. While going through my rehabilitation process, it was my only source of income. I could not have survived without SSDI. Shortly after I sustained my injury a doctor told me I had ten to fifteen years to live as that was the life expectancy of a quadriplegic in the early seventies. To his credit he did say if I took good care of myself I could live longer. Here I am over forty-four years later still surviving. Thank You SSDI.

My own story begins in November 2003 with a training accident while I was in the Army that damaged my spine. Experimental surgery to address the condition was unsuccessful and I was medically retired from the military in 2004. The VA determined that my injury was related to my military service and provided me approximately \$700 a month in compensation. A second surgery in 2008 meant to arrest the deterioration in my condition instead resulted in more, complete and irreparable damage to my spinal cord. In January 2009, I was granted SSDI upon a hearing appeal after first being denied and received roughly a year's retroactive benefits. I was not working because of my injuries. I had run through my sick leave. My only income was that \$700 a month from the VA and it would be almost another two years, in October 2010, before the VA processed my paperwork to finally get my rating up to where it was supposed to be.

When I was finally determined to be eligible for SSDI, I was less than a month away from being homeless, running out of food, and dealing with the ramifications from a second failed spinal cord surgery that had put me into my wheelchair permanently.

Being granted SSDI gave me some breathing room. I was able to finally get into an accessible home and started to put my life back together. Had I not received SSDI when I did, I do not honestly know what I would have done and how that would have impacted where I am today.

Having Social Security – and the Medicare coverage that came with it – gave me the financial and medical benefit security to recover from losing my career twice in a five year span, first as a service member and second as a federal police officer, because of my injuries. And Social Security’s work incentives supplied the assurance for me to pursue a new life and new opportunities. I was able to return to school in 2014. Then, in November 2017, I accepted the position of Deputy Executive Director of PVA. I started my trial work period with the knowledge that, if my impairments worsened, I would be able to again receive benefits, including Medicare, without delay. Although returning to work has had an effect on my physical health, I'm happy to report that I am now past my trial work period and have transitioned off benefits. I really have SSDI to thank for being there when I needed it the most and the role it played in helping me get to where I am now.

Social Security is fully funded for the next 15 years and faces a modest financing shortfall after that. Self-financed through the contributions of workers and employers, Social Security will be able to pay full benefits until 2034. The combined trust fund assets total \$2.9 trillion.² Social Security's overall shortfall over the next 75 years is 2.84 percent of taxable payroll or 1 percent of GDP. This is a modest amount, and PVA believes it can and must be closed without cutting benefits for current or future generations.

Once again, the rhetoric concerning the deficit and Social Security has reached a point where it is necessary that steps be taken to prevent rash actions that could damage this essential American social insurance system. Social Security did not cause - nor is it contributing to - the deficit. Ironically, some legislation that is portrayed as a means to “save” Social Security would cut benefits more than if Congress does nothing. While we recognize the need to address the modest shortfall that is projected to arise in 2034, we believe it should be done with great care and without renegeing on this country’s promises to veterans and others who depend on Social Security benefits.

PVA has supported many efforts over the years to protect and strengthen Social Security. We endorsed legislation in previous Congresses such as the Strengthening Social Security Act introduced by Senators Brian Schatz and Tom Harkin and the Surviving Widow(er) Income Fair Treatment Act sponsored by Senator Robert Casey. We opposed efforts in 2011 to adopt the so-called Chained Consumer Price Index (CPI) because of the harmful impact that would have not only on Social Security benefits but

² 2018 Social Security Trustees Report, <https://www.ssa.gov/OACT/TR/2018/tr2018.pdf>.

on VA benefits, civilian pensions, and military retirement pay. We have also worked with a number of members of Congress on bills giving caregivers credit under Social Security to ensure that these benefits include caregivers of veterans with disabilities. Moreover, PVA has long-championed efforts to improve work incentives in Social Security. We were among the earliest supporters of the Ticket to Work and Work Incentives Improvement Act and our organization became an Employment Network under the Ticket program in 2008.

As Congress looks to reform Social Security, I want to thank you Mr. Chairman for introducing the Social Security 2100 Act. We agree with your basic premise that Social Security is vital public insurance particularly because all of our members benefit in some way from this program, whether it is the benefits that afford them a secure retirement, protect their survivors and dependents, or enable them to manage living with a disability with dignity. In particular, PVA applauds the provisions in this bill that would establish a more realistic cost-of-living-adjustment for beneficiaries, strengthen protections for low income workers and for all beneficiaries, cut taxes on benefits for nearly twelve million beneficiaries and make long overdue adjustments in the financing mechanisms for the system. We also appreciate your effort to recognize that Social Security's disability, retirement, and survivor protections are all part of one unified system, by eliminating the artificial separation of the trust funds. PVA also applauds the fact that Social Security actuaries have determined that this bill will ensure the long-term solvency of the trust funds, making sure it remains strong for future generations. This legislation demonstrates that preserving and strengthening Social Security can be done without causing harm to beneficiaries, many of whom rely heavily on its programs for their economic security.

As Congress begins to examine proposals for addressing the long-term health of Social Security, PVA urges you to do so according to certain fundamental principles as established by the Consortium for Citizens with Disabilities Social Security Task Force, of which PVA is a member.³

Principle 1: The long-term solvency of the Social Security Old-Age, Survivors, and Disability Insurance programs should be attained through revenue increases without any benefit cuts. Benefit cuts to Social Security include (but are not limited to): increases in the early or full retirement age, means-testing benefits, changing the Cost of Living Adjustment to make it less adequate, requiring additional work credits to obtain coverage, time-limiting benefits, restricting eligibility, reducing benefits, or altering the

³ Social Security Task Force Principles, <http://c-c-d.org/fichiers/CCD-SSTF-Solvency-Principles-3-18.pdf>. The Consortium for Citizens with Disabilities is the largest coalition of national organizations working together to advocate for federal public policy that ensures the self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society.

sequential evaluation process in a way that will increase the number of claimants denied disability benefits.

Principle 2: The increased revenue used to enhance long-term solvency of the Social Security programs may include eliminating the cap on wages subject to the FICA (Federal Insurance Contributions Act) Social Security tax, raising the FICA tax rate, and potentially making more types of earnings subject to the FICA Social Security tax.

Principle 3: The Social Security benefits formula should be adjusted along with changes to the FICA tax rate and cap so that individuals who will contribute more to Social Security under the new rules will also receive higher Social Security benefits. Benefits for high earners should not, however, be raised to an extent that prevents the majority of the additional revenue raised by the measure being used to extend the solvency of the Social Security system, increase the progressivity of benefits, or increase the adequacy of benefits.

Principle 4: Any long-term solvency proposal for the Social Security system must use the same formula for calculating benefits for the Old-Age and Survivors Insurance (OASI) programs and the Disability Insurance (DI) program.

Principle 5: Proposals to extend the solvency of the Social Security system should ensure that all components of the Social Security system (Old-Age, Survivors, and Disability) are solvent for the same period of time, either by adjusting payroll tax allocation percentages deposited in the OASI Trust Fund and DI Trust Fund or by merging the Trust Funds.

As my testimony illustrates, Social Security is much more than a retirement program. Even as policymakers are preoccupied with the long-term health of the Social Security program, they must not overlook Social Security's role as a sustaining foundation for millions of people with disabilities. I was fortunate to be able to return to work. For other people with a spinal cord injury, or any significant disability for that matter, they may not be able to pursue full-time, traditional employment. That is why it is so important for any changes to Social Security to take into account their impact on all beneficiaries.

Thank you Chairman Larson, Ranking Member Reed, and members of the subcommittee for your attention this morning. PVA stands ready to work with you and your colleagues in fashioning legislation that extends and enhances Social Security, the crown jewel of our nation's safety net.