

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON SOCIAL SECURITY

FOR IMMEDIATE RELEASE
May 16, 2013
No. SS-5

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Chairman Johnson Announces Hearing on the President's and Other Bipartisan Entitlement Reform Proposals

Hearing is the Third in the Committee's Hearing Series on Entitlement Reform

U.S. Congressman Sam Johnson (R-TX), Chairman of the House Committee on Ways and Means Subcommittee on Social Security, today announced the third in a series of hearings on the President's and other bipartisan entitlement reform proposals. This hearing will focus on proposed adjustments to Social Security benefits, as included in the President's Fiscal Year 2014 Budget, the report by the National Commission on Fiscal Responsibility and Reform, and the report of the Bipartisan Policy Center's Debt Reduction Task Force. **The hearing will take place on Thursday, May 23, 2013, in B-318 Rayburn House Office Building, beginning at 9:30 a.m.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Subcommittee and for inclusion in the printed record of the hearing.

BACKGROUND

The Social Security Act (P.L. 74-271), signed into law by President Franklin D. Roosevelt on August 14, 1935, established the original retirement age of 65 for all retired workers. The early retirement age of 62, which allows workers to claim benefits earlier but permanently reduces the monthly level, was established first for women only in the Social Security Amendments of 1956 (P.L. 84-880) and for men in the Social Security Amendments of 1961 (P.L. 87-64). The Social Security Amendments of 1983 (P.L. 98-21) gradually increased the full retirement age, reaching 67 for those born in 1960 and later. Life expectancy for a person at age 65 has increased from 12.7 years in 1935 to 19 years today.

The Social Security Amendments of 1977 (P.L. 95-216) enacted the new benefit formula, under which benefit amounts are determined by applying a three-tiered formula to the monthly average of the highest 35 years of wage indexed earnings. The benefit formula is designed to replace a certain percentage of a worker's career earnings and is very

progressive, replacing 90 percent of lower earnings and only 15 percent of higher earnings. As a result, retirees who had lower earnings throughout their careers have more of their average lifetime earnings replaced than retirees with higher career earnings.

Bipartisan proposals to adjust benefits have included increasing both the full and early retirement ages to account for increases in life expectancy, including a hardship exemption from retirement age increases for certain workers, indexing the benefit formula to account for increases in longevity, allowing beneficiaries to receive up to half of their benefits beginning at age 62, slowing the growth of benefits for higher lifetime earners, increasing benefits for low lifetime earners, and increasing benefits for long-time beneficiaries.

In announcing the hearing, Subcommittee Chairman Sam Johnson (R-TX) stated, **“At this hearing we will carefully examine the impacts of bipartisan proposals to adjust benefits for future beneficiaries. With Social Security already in the red, Americans know the longer we wait to fix Social Security, the tougher it will be to do so. It’s time we work together to make sure Social Security is there for today’s workers and their children and grandchildren.”**

FOCUS OF THE HEARING

The hearing will examine bipartisan proposals to adjust Social Security benefits and their impacts on the program’s finances, beneficiaries, workers, and the economy.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to submit, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word or WordPerfect document, in compliance with the formatting requirements listed below, **by the close of business on Thursday, June 6, 2013**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721 or (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record,

and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word or WordPerfect format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days' notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.