

March 29, 2012

Honorable Tom Harkin
Chairman
Committee on Health, Education, Labor and Pensions
United States Senate
Washington, DC 20510

Dear Chairman Harkin:

We write to give our strong endorsement of the Social Security provisions of the Rebuild America Act. This bill represents a very important step toward improving retirement security for future generations of Americans and extending the solvency of the Social Security program. We especially appreciate the fact that this legislation would increase the benefits for all those who receive retirement, disability or survivor benefits, while at the same time providing a proportionally greater increase for those most in need.

Specifically, we applaud the switch to the Consumer Price Index for Elderly Consumers (CPI-E) for determining the annual cost of living adjustment (COLA). This is much more appropriate than the CPI-W currently used which is based on the expenditures of a working age population and explicitly excludes people age 62 and over.

We are also pleased to see the provision changing the PIA formula by gradually increasing the amount of wages before the first bend point which are subject to 90% replacement. While this will benefit everyone, the improvement will be especially appreciated by the low-wage workers who face the most insecure retirement prospects.

Gradual elimination of the cap on the contribution base, combined with the creation of an additional bend point for higher wage earners is a very good means of paying for these enhanced benefits and improving the solvency of the system. It is especially appropriate given that increasing income inequality over the last three decades has resulted in a smaller percentage of wages subject to the cap and thus reduced revenue for Social Security.

Finally, and of particular importance to the National Senior Citizens Law Center whose mission focuses on the most economically insecure older Americans, we are excited to see that you have included a provision which assures that those beneficiaries who concurrently receive both Social Security and Supplemental Security Income (SSI) benefits receive the full benefit of any improvements to Social Security and that they do

not suffer any adverse impact on Medicaid eligibility. This population is routinely overlooked. We thank you for remembering them and taking their needs into account in this important legislation.

Sincerely,



Paul Nathanson
Executive Director



Gerald McIntyre
Directing Attorney