



Great Public Schools
for Every Student

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October 22, 2013

United States House of Representatives
Committee on Ways and Means
Washington, DC 20515

Dear Representative:

On behalf of the more than 3 million members of the National Education Association (NEA), we offer our views in connection with the April 17 hearing, “President’s and others Bipartisan Entitlement Reform Proposals.”

Over the past two years, drastic and austere deficit reduction without accompanying revenue increases has marred our economic landscape. Students, teachers, working families and seniors – the most vulnerable of our society - have all paid an extraordinary price due to these cuts. Meanwhile, some in Congress have shown they are serious about finding a balanced approach to moving the country forward and restoring our economic strength by putting students ahead of political ideology while demanding corporations and the rich pay their fair share in taxes. It shows a real commitment to returning to solid fiscal footing without jeopardizing the important economic gains made during the past four years.

This measured and balanced approach to deficit reduction should be utilized in all arenas – especially when considering changes to retirement programs. A long held Republican idea, which appeared in the President’s FY2014 budget, proposes cutting \$100 billion in Social Security benefits by recalculating the cost of living for beneficiaries by using the Chained CPI or Chained Consumer Price Index. These painful cuts to Social Security benefits by using the Chained CPI, as well as \$400 billion in new cuts to Medicare, represent an unfair burden on those that can least afford and least deserve it – seniors, people with disabilities, and veterans.

One of the most problematic aspects of the Chained CPI is that the cuts are larger the longer you receive benefits. By age 85, the individual who began to receive benefits at 65 would be losing \$984 in benefits that year; by age 95, the annual cut would be \$1,392. Many seniors do not have retirement savings to supplement the income they receive from Social Security. This proposed adjustment won’t result in seniors choosing to purchase cheaper items at the grocery store; it will cause them to choose between spending money on food or on health care.

For some beneficiaries, the reduced increase in Social Security benefits will be completely consumed by the increase in Medicare premiums, which Chained CPI does not account for, effectively leaving current beneficiaries with no cost of living adjustment at all. No matter how it is presented, the use of the Chained CPI is a benefit cut. Social Security belongs to the people

who have worked hard all their lives, contributed to the program, and relied on the promise that they and their family will be able to collect benefits that accurately reflect the cost of living when they retire.

Nearly 1.2 million NEA members will be eligible for full retirement within the next 10 years. These people are educators that have devoted their lives to students. We urge you to think of them and the many working families across this country as you consider the path forward.

Sincerely,

A handwritten signature in black ink, reading "Mary Kusler", enclosed in a thin black rectangular border.

Mary Kusler, Director of Government Relations