

September 22, 2020

Representative John Larson
United States House of Representatives
Washington DC
20515

Dear Rep. Larson:

On behalf of Paralyzed Veterans of America (PVA), I am writing to ask for your support for H.R. 8171, the Save Social Security Now Act, legislation that will bar the Treasury Department from implementing the recently announced Social Security payroll contributions deferral. We also seek your support for H.J. Res. 94 which signals congressional intent to overturn any Treasury Department guidance implementing the deferral under the Congressional Review Act (CRA).

PVA is the nation's only congressionally chartered veterans service organization solely dedicated to representing veterans with spinal cord injuries and/or disorders. As you know, military service has been covered by Social Security since 1957 and many of our members are among the 9 million veterans who receive retirement or disability benefits from Social Security. Indeed, veterans and their family members comprise 35 percent of the Social Security beneficiary population.

PVA was deeply concerned by the Executive Order directing the Secretary of the Treasury to defer Social Security contributions (i.e., payroll taxes) from September 1, 2020, until December 31, 2020. These payroll contributions are the primary funding mechanism for Social Security's retirement, survivors, and disability benefits. Together with the interest earned on the monies, the deferred contributions amount to about \$100 billion that will not be paid into the system.

A great deal of uncertainty has arisen around the suspension of these payroll contributions such that many employers are continuing to withhold the money from their workers but will not transmit the funds to the Treasury until next year in the event they are required to repay the deferred funds. For companies that do implement the deferral, it is possible that their employees will have double what is normally withheld for Social Security in 2021 in order to pay back the deferral. Meanwhile, the Administration announced in early September that it would proceed with the payroll tax deferral for federal employees, many of whom are veterans, and members of the military, lending even more confusion to this situation.

What is particularly alarming to us is the possibility that the payroll deductions could be deferred under the IRS code for up to one year due to a federally declared disaster. If no action is taken to pay back the

trust funds and the deferral continues after December 31, 2020, the Chief Actuary of the Social Security Administration has estimated that Social Security Disability Insurance (SSDI) benefits would end sometime ---in the middle of 2021. Should that deferral be extended further or other actions taken to end payroll contributions, the retirement trust fund would be unable to pay benefits two years later in 2023.

For eighty-five years, Social Security's financing has represented a compact among the generations to guarantee these critical benefits to working Americans and their families. Proposals to permanently end these payroll contributions and replace them with monies out of the government's general fund would not only require an extraordinary increase in general revenue spending but would fundamentally alter this highly revered system of financial security for millions of Americans.

PVA thanks those of you who have already cosponsored this legislation. We urge all members of Congress to join in supporting H.R. 8171 and H.J. Res. 94 to ensure that a strong Social Security system remains viable for veterans and for all Americans.

Sincerely,

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Government Relations