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Contact: Taylor Harvey (202) 224-4515

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Wyden Statement at Finance Committee Hearing on Work and Social Security

As Prepared for Delivery

This morning the Finance Committee gathers to discuss how to update and strengthen Social Security disability programs to make it easier to work for Americans who have a severe disability and want to attempt to work again. When I talk to Americans with disabilities, they want to contribute to their communities, including work in the private economy. But the laws on the books today when it comes to work and Social Security are a bureaucratic straightjacket that make it next to impossible to work while maintaining eligibility for these benefits.

This is a bipartisan effort here on the Finance Committee. In particular, I'd like to recognize Senators Brown, Casey and Cassidy for their efforts to cut through the byzantine red tape and help Americans who count on these benefits.

The bedrock principle behind Social Security is to provide Americans with financial security and dignity as an earned benefit - something they contribute to out of every paycheck. But for too many, especially those with a disability, dignity has fallen by the wayside because of these barriers to attempting work.

The vast majority of those who receive disability benefits have worked at least 10 years, paying into Social Security with each paycheck. Becoming severely disabled due to illness or accident is a devastating blow, but Social Security is there to help these Americans get back on their feet. It often takes months or even years to demonstrate to SSA that their disability prevents them from performing a regular job. In spite of that, many of these Americans want a chance to attempt to work – even in a limited capacity – to get out of their home and be a part of their community.

Unfortunately, the current rules at Social Security make working with a disability the bureaucratic equivalent of running a marathon. Many of those who try to work get an overpayment from Social Security due to the outdated rules. An overpayment isn't like winning the lottery - these benefits are going to essentials like groceries, gas and rent. Until recent action by Commissioner O'Malley, once Social Security realized it made an overpayment, it demanded all of the money back at once. These overpayment fines can run into the tens of thousands of dollars, which these Americans simply cannot afford to pay.

Something has to change to make it easier to work for those who want to. I'm going to outline several ideas about how Social Security and Congress can help Americans with disabilities try to work without risking their eligibility for benefits, and remove the red tape that's currently holding them back. Later this year, the committee will consider a series of bills to update these woefully out of date rules and simplify administration of the Social Security's disability programs.

First is modernizing the Supplemental Security Income program, or SSI. Senators Brown, Cassidy, Casey and Lankford are leading the way here. Americans who receive SSI are living on shoestring budgets with the average benefit only amounting roughly \$700 a month. This program hasn't received a meaningful update in 40 years.

As a result, it's become harder and harder to keep benefits, or engage in meaningful work, due to artificially low-income limits that haven't kept up with inflation. The most an American with SI can have in their bank account is \$2,000, and it's been frozen there since 1989. Today, that would be about \$10,000.

For SSI beneficiaries who attempt to work, benefits are reduced by \$1 for every \$2 dollars they earn above \$85 per month. That amounts to a 50 percent income tax rate – higher than the highest rate in the Tax Code.

It's time to bring these rules into the 21st century, and I'm proud to have joined Senators Brown, Cassidy, Casey and Lankford and several of our other colleagues in taking the first step towards bringing SSI into the 21st century with the SSI Savings Penalty Elimination Act.

Next is my bipartisan Work Without Worry Act, which I introduced with Senator Cassidy earlier this Congress. The idea is simple: for Americans with life-long disabilities like Down Syndrome, cerebral palsy, or an intellectual disability, there ought to be additional protections allowing them to work without risking their Social Security benefits.

So, our bill removes the risk of past earnings disqualifying an individual in this situation from receiving disability benefits based on their parent's work history. It's a no-brainer that will be life-changing for thousands of Americans who want to participate in the workforce but don't, out of fear that federal rules could hurt their ability to be financially secure in the future.

Last is overpayments. Over the past year, this committee has heard horror stories about everyday Americans getting huge overpayment bills from Social Security, often because of the programs' inherent complexity or a mistake made by the agency. When Commissioner Martin O'Malley came before the Finance Committee seeking confirmation, he pledged to take action to address the severity of these overpayment clawbacks.

This spring Commissioner O'Malley took an important first step by giving Americans more time and flexibility to correct these payment errors, and put into motion a critical update to how payroll data is processed by the agency that the Finance Committee championed to help reduce overpayments going forward. I'm pursuing additional steps that will reduce the frequency of these overpayments happening in the first place - and I'll have more to say about that in the weeks to come.

These are just some of the steps the Finance Committee will be exploring in the coming months to improve Social Security.

Every single member of this committee knows the importance of work, as well as Social Security's lifeline benefits. I look forward to hearing from our witnesses and members of this committee about fresh approaches to knock down barriers to work and modernizing Social Security for every American.

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