

Congressman Tom Reed and the Plan to Cut Social Security

Executive Summary

Over 165,000 hard-working seniors in the 23rd Congressional District, represented by Congressman Tom Reed, have paid into and receive benefits from Social Security.¹ The current Republican budget proposes an estimated \$4 billion in cuts to Social Security and other federal programs. Although he typically works lock step with his Republican colleagues, cutting Social Security for so many seniors in his own District should seem a bridge too far for even Congressman Reed.

But Reed is maintaining his non-committal position on whether or not he supports the budget proposals and Social Security cuts. He hasn't updated his website content on the issue since 2016 and has no specific suggestions for fixing Social Security. What details he does provide concern the distractions of fraud and abuse that, even if eliminated, do not address the Republican's proposed cuts or the structural budgetary stresses introduced by the passage of the recent Tax Law.

Reed's most common response to tough questions is to say that, "We appreciate the input received from folks today and look forward to carrying their voices back to Washington."² At a recent Horseheads meeting with seniors, the Congressman appeared to steer the conversation away from a discussion of Social Security.³ The 165,000 Social Security receiving seniors of the 23rd Congressional District deserve to know if their Congressman plans to undercut their dignity by drastically cutting their earned benefits. Making his position clear would seem to be a no-brainer for a man who himself was raised, in part, on Social Security benefits. But it is perhaps less surprising now that Reed has become a DC freeloader more interested in keeping his head down and getting re-elected than rolling up his sleeves and working on a fix.

¹ New York 23rd Congressional District 2017 Social Security statistics

https://www.ssa.gov/policy/docs/factsheets/cong_stats/2017/ny.html

² Press Releases: Reed Sits Down with Seniors about Social Security, Medicare

<https://reed.house.gov/news/documentsingle.aspx?DocumentID=1507>

³ Senior Citizens Talk Over Changes to Medicare, Social Security with Rep. Tom Reed in Horseheads

[https:// https://wskg.org/news/senior-citizens-talk-over-changes-to-medicare-social-security-with-rep-tom-reed-in-horseheads/](https://wskg.org/news/senior-citizens-talk-over-changes-to-medicare-social-security-with-rep-tom-reed-in-horseheads/)

Social Security Background

Social Security is the commonly used term for the Federal Old-Age, Survivors, and Disability Insurance (OASDI) program administered by the Social Security Administration. The original Social Security Act was signed into law in 1935. Social Security requires payments to everyone who is eligible and has been a major force in reducing the poverty rates in adults aged 65 or older.

The federal government issues yearly Trustees Reports on the funding future of Social Security programs. The last 7 Reports stated that Trust Fund reserves would become depleted between 2033 and 2034 under the economic and demographic assumptions provided in each report. Unless Congress takes action, after 2033/2034 there would only be enough tax revenues to pay about three quarters of each person's monthly payment.

Some members of Congress have developed proposals to improve Trust Fund Solvency that would address long-range funding for years to come.⁴ The Social Security Administration has prepared memoranda analyzing many of these proposals and options. Each memorandum provides an actuarial analysis showing the estimated effect on the financial status of the OASDI program. Recent examples of the proposals and their analysis are listed below. Detailed information on these is provided at <https://www.ssa.gov/oact/solvency/index.html>

Date of memorandum	Developer(s) of proposal	Memorandum subject and related information
June 27, 2018	Bernie Sanders	Estimates of the Financial Effects on Social Security of S. 3147, the "Social Security Administration Fairness Act," introduced on June 27, 2018 by Senator Bernie Sanders (PDF version)
April 12, 2018	Ron Wyden	Estimates of the Financial Effects on Social Security and SSI of S. 2653, the "Elder Poverty Relief Act," introduced on April 12, 2018 by Senator Ron Wyden (PDF version)
January 31, 2018	Thomas Garrett	Estimates of the Financial Effects on Social Security of H.R. 4584, the "Student Security Act of 2017," introduced on December 7, 2017 by Representative Thomas Garrett (PDF version)

⁴ Information from the U.S. Social Security website <https://www.ssa.gov/oact/TR/index.html>
<https://www.ssa.gov/oact/TR/index.html>

The “Brighter American Future” Proposed 2019 Republican Budget

Congress is now trying to deal with the federal debt caused by passage of the December 2017 Tax Cuts and Reform Act and its \$1.5 trillion price tag. In June of 2018, Republicans on the House Budget Committee released “A Brighter American Future,” a budget proposal to balance the federal budget in nine years. Even though President Trump campaigned on promises to save Medicare and Social Security, the House budget proposes cuts to the programs. Specifically, the Republican Budget would cut Social Security funding by \$4 billion over the next ten years.

At a recent meeting reported in the *Olean Times*, Congressman Reed said that while he believes that the December 2017 tax cuts are creating jobs and fueling strong GDP (Gross Domestic Product – a measure of the country’s economic activity) numbers, the tax cuts are also adding to the deficit. Reed believes that it will take additional job growth as well as spending cuts to reduce the national debt. As to whether that comes at the expense of social programs, Reed said that most folks would rather have a good job with benefits than be on government assistance. “They’re looking for an opportunity to get out of the government dependence mode,” he said.⁵

In a June 21 letter to Congress AARP, formerly the American Association of Retired Persons, disagreed. “The typical senior, with an annual income of approximately \$26,000 and already spending one out of every six dollars on health care, counts on Social Security for the majority of their income, and on Medicare for access to affordable health coverage. AARP will continue to oppose changes to current law that cut benefits, increase costs, or reduce the ability of these critical programs to deliver on their benefit promises.”⁶

During his campaign President Trump took the issue of Social Security and other benefits programs off the table by promising that he would not touch them. In spite of that, the House Budget Committee has come up with a proposal in which Social Security could be cut by \$4 billion over the next ten years. Medicare and Medicaid would also be restructured and slashed. “The 2019 Republican budget scraps any sense of responsibility to the American people and any obligation to being honest,” said Rep. John Yarmuth (D-Ky.), the top Democrat on the Budget Committee. “Its... extreme cuts to health care, retirement security...and other critical investments are real and will inflict serious harm on American families.”⁷

⁵ *Finger Lakes Times*, August 15, 2018. http://www.fltimes.com/news/the-great-tax-cut-debate-plays-out-at-tom-reed/article_da889db7-dc46-5b33-821a-45e045ba1fb7.html

⁶ The Republican Record on Medicare, Medicaid and Social Security: Attacks on Benefits Seniors Have Earned and Deserve <https://schakowsky.house.gov/uploads/Seniors%20Task%20Force%20Report%207.24.18.pdf>

⁷ *The Washington Post*, June 19, 2018. House GOP plan would cut Medicare, Medicaid to balance budget. <https://www.msn.com/en-us/news/politics/house-gop-plan-would-cut-medicare-social-security-to-balance-budget/ar-AAYsglD>

That 2019 budget proposal is on hold, because it is considered too extreme for House Republicans to vote on during an election year. Republican representatives like Congressman Reed would be putting themselves on the record as supporting budget cuts to these popular, relied upon, and earned-benefit programs.

Congressman Reed's Murky Position on Social Security

At a time when Republican leaders like John Hunstman are stating that there can be “[n]o more of the rhetoric – we’ve heard that. You’re going to have to tell us how you’re going to do it...”⁸, Congressman Reed’s website is full of vague generalities regarding the proposed Republican budget and it’s cuts to Medicare, Medicaid, and Social Security. Interestingly, Reed has posted no new information on his plans for Social Security since the Republicans took control of the White House in 2016.

And though he claims to want to “modernize the system” and “promote accountability”, he provides little details regarding what those phrases mean. Reed states:

“The Social Security Trust Fund and the Disability Insurance Fund were created to ensure individuals who had retired or had become disabled have a sustained income. It is only fair that each individual receives from the system what they paid into it.”

Reed goes on to claim without evidence:

“I have been at the forefront of this issue to ensure the Retirement fund and the Disability Insurance (DI) fund do not run out of money.

“Retirees, disability beneficiaries, and their dependents deserve to receive what they were promised. Due to declining funds, the disability program was set to run out of money by the end 2016. This would have resulted in a reduction in benefits to all recipients. The passage of the Bipartisan Budget Act of 2015 by Congress prevented the Social Security Trust Fund from going bankrupt.

“In order to preserve Social Security, we must work to modernize this program. I continue to work with my colleagues across the aisle to promote accountability and to reduce waste, fraud, and abuse within the system. These measures ultimately aim to help ensure that Social Security will be available to retirees for generations to come.”

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- ⁸ [No Labels Stakes out a National Agenda. *Washington Post*, June 28, 2015 \[https://www.washingtonpost.com/opinions/no-labels-stakes-out-a-national-agenda/2015/06/28/e56f411c-1aa6-11e5-ab92c75ae6ab94b5_story.html?utm_term=.32b9ec4cf7f4\]\(https://www.washingtonpost.com/opinions/no-labels-stakes-out-a-national-agenda/2015/06/28/e56f411c-1aa6-11e5-ab92c75ae6ab94b5_story.html?utm_term=.32b9ec4cf7f4\)](https://www.washingtonpost.com/opinions/no-labels-stakes-out-a-national-agenda/2015/06/28/e56f411c-1aa6-11e5-ab92c75ae6ab94b5_story.html?utm_term=.32b9ec4cf7f4)

And while reducing waste, fraud, and abuse are laudable goals; they remain a minor problem, and serve as a distraction from the impending possibility of \$4 billion in cuts to Social Security. Reed's ambivalence and non-committal on the Republican budget proposal is doubly surprising given that he recognizes that his mom raised him and 5 of his siblings, in part, on Social Security benefits.⁹

⁹ [Reed Supports Bill for Working Families. *Lansing Star*, June 10, 2016](http://www.lansingstar.com/news-page/12752-reed-supports-bill-for-working-families)
<http://www.lansingstar.com/news-page/12752-reed-supports-bill-for-working-families>