



SOCIAL SECURITY
Office of the Chief Actuary

October 23, 2020

The Honorable Chuck Grassley
Senate Finance Committee
United States Senate
Washington, DC 20510

The Honorable Kevin Brady
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Dear Chairman Grassley and Ranking Member Brady:

This letter is in response to your October 9, 2020 letter (enclosed) regarding practices of the Office of the Chief Actuary for information, analysis, and/or technical assistance requested by non-government individuals and organizations.

Thank you for asking me to address your concerns. I have enjoyed working with both of you and your staffs from my position in the Office of the Chief Actuary at the Social Security Administration, where I have served as Chief Actuary since 2001, and prior to that as Deputy Chief Actuary. Our office's mission has always been to provide objective information and analysis to assist lawmakers, the Social Security Board of Trustees, the Commissioner of Social Security, and the Administration in maintaining and evolving the Social Security and Supplemental Security Income programs to best serve the American people.

We are intensely aware of the finite resources available to the Social Security Administration. The Office of the Chief Actuary is the smallest component in the agency reporting to the Commissioner, with less than fifty full-time-equivalent staff and no paid overtime allocation. In addition, our office does all of our work directly with no use of external contractors. We therefore carefully manage and prioritize our many demands. Our primary work has always been the development of the baseline projections of the future operations and actuarial status of the OASI and DI Trust Funds for the Annual Report of the Trustees, as required in the Social Security Act.

In addition, we develop estimates for changes in regulations and law under consideration by the Administration and Congress. As you point out, we maintain a web page showing letters and memoranda where we have provided information on potential changes in the law that would affect taxpayers, beneficiaries, and the actuarial status of the trust funds (<https://www.ssa.gov/OACT/solvency/>). This web page, as well as the web page providing the

estimated effects of individual provisions included in proposals for which we have estimates (<https://www.ssa.gov/OACT/solvency/provisions/>), have been used by members of Congress and others for years in their development of legislation addressing the financing and benefits specified in the law. We do prioritize the work done for these estimates. The Administration has always come first; Congress second (the House Ways and Means Committee and the Senate Finance Committee primarily, but in addition all committees and members of Congress); and finally, entities external to the federal government, as time permits, when they raise possibilities that are known to be of interest to the Administration or Congress. As pointed out below, possibilities raised by outside organizations have largely been followed with inclusion in a bill introduced by one or more member of Congress. I note that requests from external entities have been few, and we have received and responded to no external requests for over four years now. The most recent is the response on October 11, 2016 to Kent Conrad (former member of Congress) and James B. Lockhart, III (former Deputy Commissioner of the Social Security Administration), Co-Chairs of the Bipartisan Policy Center's Commission on Retirement Security and Personal Savings.

Critical to the value of the work we do in the Office of the Chief Actuary is that we are apolitical and only make estimates for proposals developed by others. We do not ever indicate a preference for any proposal, but rather assess what the implications of implementing the proposal would be on an objective basis. By taking this approach, we hope to provide a basis for understanding and considering the effects of proposals on Social Security that will be useful for all.

Below, please see answers to the seven specific questions you have raised.

1. When a request is received from a non-government source, how does your office determine if the requested information, analysis, and/or technical assistance will be provided?

Answer: Requests come to our office in many forms. For requests related to operational statistics and policy considerations, we refer to or consult with the Office of the Commissioner or other agency components on what might be provided other than publicly available material. Most requests for assistance from non-government sources related to potential changes in the law are already addressed by estimates we have provided on our proposals and provisions web pages. When we receive an occasional request from an outside (non-governmental) organization for estimates on a proposal that has not been previously evaluated, we recommend working with a member of Congress to gain higher priority. Beyond that, we consider the involvement of the requester, current and past, in Congress and Administration, and in groups that have influence with Congress and Administration through their work. Of the more than 150 letters and memoranda included on our proposals web page going back to 1993, 17 were provided to non-governmental individuals or organizations. Specifically:

- a) Letters to Kent Conrad and James B. Lockhart III, Co-Chairs of the Bipartisan Policy Center's 2016 Commission on Retirement Security and Personal Savings, on October 11, 2016 and June 19, 2016.
- b) Letter to Jim McCrery and Earl Pomeroy (both former members of Congress) Co-Chairs of the SSDI Solutions Initiative organized by the Committee for a Responsible Budget, on April 4, 2016.

- c) Letter to Pete Domenici (former member of Congress) and Alice Rivlin (former Director of CBO), Co-Chairs of the Bipartisan Policy Center’s 2010 Debt Reduction Task Force, on February 2, 2011, and memorandum to their staff on November 17, 2010.
- d) Memorandum to Kenneth Apfel (former Commissioner of Social Security), Chair, John L. Palmer (former Public Trustee of the Social Security and Medicare Boards of Trustees), Co-Chair, and Rudolph G. Penner, Co-Chair, for their committee report of the National Research Council and the National Academy of Public Administration on “Choosing the Nation’s Fiscal Future”.
- e) Memorandum to Virginia Reno, Vice President for Income Security at the National Academy of Social Insurance (former staff at Social Security Administration and subsequent Deputy Commissioner for Retirement and Disability Policy at the Social Security Administration) on October 30, 2009.
- f) Memorandum to Mark Warshawsky (former Assistant Secretary for Economic Policy at Treasury and subsequent Deputy Commissioner for Retirement and Disability Policy at Social Security Administration), on September 17, 2008.
- g) Memorandum to John Gist and Sara Rix, staff for the AARP Public Policy Institute, on June 19, 2008.
- h) Memorandum to Jeffrey Liebman (former staff at the White House National Economic Council), Maya MacGuineas, and Andrew Samwick, on November 17, 2005.
- i) Memoranda to Robert M. Ball (former Commissioner of Social Security Administration), on April 14, 2005 and October 10, 2003.
- j) Memoranda to Bob Pozen (former member of the President’s Commission to Strengthen Social Security), on February 10, 2005 and November 4, 2002.
- k) Memoranda to Peter Ferrara on December 1, 2003 and April 6, 2004.
- l) Memorandum to Peter Diamond (member of numerous Advisory Council and Advisory Board Technical Panels and Congressional Commissions) and Peter Orszag (former staff of the White House National Economic Council and subsequent CBO Director), on October 8, 2003.
- m) Letter to Paul Simon (former Senator), along with former Senators Simpson, Pryor, and Danforth, on June 9, 1997

Regarding the subsequent use of the specific proposals analyzed for non-governmental entities, many were later incorporated as provisions in bills introduced by members of Congress. Our provisions web page provides a listing of provisions for which we have provided estimates, including a cross-reference of letters and memoranda where the precise provision appeared. The following is a partial list of such provisions that were included in bills after development by a non-governmental entity:

- Provisions A3, A8, and B3.12 developed by the Bipartisan Policy Center
- Provision A4 developed by the NRC and NAPA
- Provisions B5.2, B6.1, D1, and E1.4 by the National Academy of Social Insurance

2. When a request is received from a non-government source, does the Commissioner (or Acting Commissioner) of the Social Security Administration approve whether or not to provide the requested information, analysis, and/or technical assistance?

Answer: We inform the Commissioner or acting Commissioner when we receive a request from a non-governmental entity that would require any new development of estimates that are not already publicly available. In addition, when we receive a request from a member of Congress (or staff) to explore an option confidentially, we honor that and only disclose the request and our estimates if the member decides to make anything we have provided public.

3. Does an Executive (e.g., the Office of Management and Budget) or Legislative (e.g. office of a Representative or a Senator) branch government entity have to make the request on behalf of a non-government individual or organization for the information, analysis, and/or technical assistance to be conducted? If so, is the requesting government office listed in the published memo?

Answer: We do not require that requests related to proposals developed by non-governmental entities be made specifically by OMB or a member of Congress. As is apparent in the list provided in response to the first question, virtually all non-governmental entities who have made requests have previously been members of Congress or other government officials. In some cases, requests have been made by a non-governmental entity that has been working with a member of Congress who has asked not to be identified.

4. Did any of the non-government individuals or organizations who received information, analysis, and/or technical assistance published on your website pay a fee to cover the cost of taxpayer resources used to produce the analysis?

Answer: No.

5. Does your office provide information (including responding to oral or written questions) or analysis to non-government individuals or organizations that is not published on the agency's website?

Answer: We are frequently asked informal questions that are handled simply by referring the requestor to publicly available information. New information that we develop and provide to non-government entities is disclosed.

6. Has your office received any requests for information or analysis from non-government individuals or organizations since January 1, 2010 that have not resulted in a memo published on your office's website?

Answer: We have not developed or provided new information (information not already available to the public) that has not been disclosed since January 1, 2010.

7. Please detail, and provide documentary evidence of, the technical assistance provided by the Office of the Chief Actuary of the SSA for production of the book "*Social Security Works!*," by Nancy J. Altman and Eric R. Kingston (2014, The New Press, New York and London).

Answer: We did not develop or provide any new information or estimates to the authors of this book. We pointed them to our web pages with existing provisions and our estimates, which are updated annually. My understanding is that the authors made their own calculations for the total effects of any combination of provisions, including interactions.

We are occasionally asked for publicly available information related to data and assumptions used for baseline projections, as for the Trustees Report, from non-government entities who are doing their own analysis. Examples include:

- a) We provided demographic files from the 2006 Trustees Report to Jagadeesh Gokhale for his book “Social Security: A Fresh Look at Policy Alternatives” published in 2010, with acknowledgement.
- b) We provided information to Sylvester J. Schieber and John B. Shoven for their book “The Real Deal: The History and Future of Social Security” published in 1999, with acknowledgement.
- c) We provided assistance to Peter G. Peterson and Neil Howe for their book “On Borrowed Time: How the Growth in Entitlement Spending Threatens America’s Future”, published in 1988, with acknowledgment.

We also receive frequent requests from within the Social Security Administration for requests received from the Press and other entities.

We look forward to continuing work with you and your staff, providing objective and factual information to you and all members of Congress, the Administration, and others, that will assist you in finding the best approaches for improving all aspects of the Social Security program. We take seriously our obligation to help assure that your decisions on behalf of the American people will always be well informed.

Sincerely,



Stephen C. Goss, ASA, MAAA
Chief Actuary

Enclosure

cc:

The Honorable Andrew Saul, Commissioner of Social Security and Trustee of the Old Age and Survivors Insurance and Disability Insurance Trust Funds

The Honorable Steven Mnuchin, Secretary of the Treasury and Managing Trustee of the Old Age and Survivors Insurance and Disability Insurance Trust Funds

Congress of the United States
Washington, DC 20515

October 9, 2020

Stephen Goss
Chief Actuary
Social Security Administration
6401 Security Blvd.
Baltimore, MD 21235

Dear Mr. Goss:

We write to better understand your office's practices involving non-government requests for information or analysis. The Office of the Chief Actuary, as part of the Social Security Administration (SSA), is funded by hard-earned taxpayer dollars as part of the agency's annual appropriation. Some advocates and stakeholders regularly raise concerns about the amount of appropriations the SSA has received and argue to increase the agency's budget to improve service delivery.¹ Given the finite resources available and the important services the SSA provides to Americans, it is essential that the agency's budget is used wisely. For that reason, we are seeking additional information regarding practices of the Office of the Chief Actuary for information, analysis, and/or technical assistance requested by non-government individuals and organizations.

Since 2001, the Office of the Chief Actuary has analyzed proposals from non-government² individuals and organizations on at least 14 occasions.³ In order to better understand your office's practices responding to non-government requests, please provide the following information:

1. When a request is received from a non-government source, how does your office determine if the requested information, analysis, and/or technical assistance will be provided?

¹ See, for example, <https://www.cbpp.org/blog/ssa-needs-more-funding-to-support-essential-services>

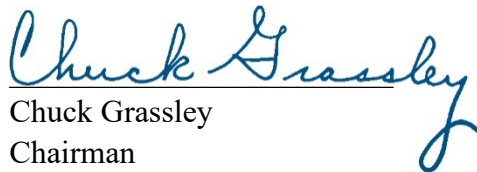
² For the purposes of this letter, a non-government individual is any individual who is not elected, appointed and Senate-confirmed (or otherwise appointed), or employed by the Executive or Legislative branch. In the case of an individual appointed to a part time role (such as the Social Security Advisory Board or Public Trustee), we differentiate between those requests that were asked as part of official capacity versus other professional or personal interest. In the case of a Commission established by Executive Order (such as the National Commission on Fiscal Responsibility and Reform), we consider the Commission Members and staff as government requestors during the duration of the Commission. A non-government organization is any group that is not a part of the Executive or Legislative branch, such as a non-profit organization or a commission not created by the Executive or Legislative branch.

³ See list of published proposals available at <https://www.ssa.gov/oact/solvency/index.html>

2. When a request is received from a non-government source, does the Commissioner (or Acting Commissioner) of the Social Security Administration approve whether or not to provide the requested information, analysis, and/or technical assistance?
3. Does an Executive (e.g., the Office of Management and Budget) or Legislative (e.g., office of a Representative or a Senator) branch government entity have to make the request on behalf of a non-government individual or organization for the information, analysis, and/or technical assistance to be conducted? If so, is the requesting government office listed in the published memo?
4. Did any of the non-government individuals or organizations who received information, analysis, and/or technical assistance published on your website pay a fee to cover the cost of taxpayer resources used to produce the analysis?
5. Does your office provide information (including responding to oral or written questions) or analysis to non-government individuals or organizations that is not published on the agency's website?
6. Has your office received any requests for information or analysis from non-government individuals or organizations since January 1, 2010 that have not resulted in a memo published on your office's website?
7. Please detail, and provide documentary evidence of, the technical assistance provided by the Office of the Chief Actuary of the SSA for production of the book "*Social Security Works!*," by Nancy J. Altman and Eric R. Kingston (2014, The New Press, New York and London).

We take seriously our oversight responsibility to ensure the SSA is a good steward of taxpayer dollars throughout the agency. We look forward to your prompt reply, and request that you respond by October 23, 2020.

Sincerely,



Chuck Grassley
Chairman
Senate Finance Committee



Kevin Brady
Ranking Member
Committee on Ways and Means

cc: The Honorable Andrew Saul, Commissioner of Social Security and Trustee of the Old Age, Survivors, and Disability Insurance Trust Funds

The Honorable Steven Mnuchin, Secretary of the Treasury and Managing Trustee of the Old Age, Survivors, and Disability Insurance Trust Funds