

July 7, 2016

The Honorable Carolyn W. Colvin
Acting Commissioner
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

Dear Acting Commissioner Colvin:

I write today to encourage the Social Security Administration (SSA) to swiftly leverage the recent renewal of its authority to conduct demonstration projects related to the Social Security Disability Insurance (SSDI) program. The next set of demonstrations will offer lessons for Congress as it seeks to improve the SSDI program ahead of the next projected exhaustion of the SSDI Trust Fund in 2022. Drawing upon substantial feedback from Maine stakeholders, I encourage you to focus your efforts on the simplification of work incentives, in order to best align program rules to support beneficiaries who are capable of returning to substantial work. Furthermore, given the challenges that Maine currently faces, if you pursue demonstrations then I also urge you to include Maine beneficiaries in any such pilot.

Maine, like many other states in the country, is facing substantial workforce difficulties related to its aging population, the economic challenges facing the state's heritage industries, and seasonal shifts in workforce needs. Given the state's high percentage of non-working individuals with disabilities, last year I began examining options to improve the capacity of the SSDI program to support and promote employment. In November I held a roundtable in Maine with key stakeholders to discuss options to improve the program to better facilitate work among beneficiaries. One of the major takeaways from the discussion is that policymakers need better data – through rigorous demonstration projects – about which strategies best support employment among SSDI beneficiaries.

As you are aware, the Bipartisan Budget Act of 2015 (BBA) reauthorized SSA's demonstration project authority for the SSDI program and granted temporary authority to carry out such projects through the end of 2022. This authority is of particular interest to me because of the opportunity it represents to improve the SSDI program, potentially paving the way to better workforce outcomes for people with disabilities in Maine and across the country. At a time when the median age of our nation's labor force is steadily increasing, bringing a greater share of workers into the age range in which they are most likely to experience a disabling condition, it is imperative that the SSDI program be structured to best assist those who are struggling to overcome these challenges in order to maintain or regain employment.

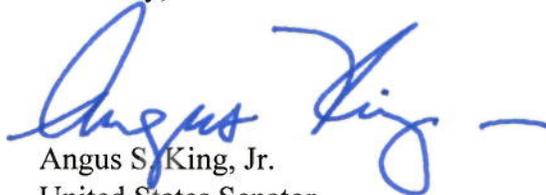
One of the most significant problems I learned about from Maine stakeholders last November is that the existing work incentives built into SSDI are convoluted and may unintentionally discourage work. Though SSDI includes a nine month safe harbor for beneficiaries who attempt to return to work beyond a low level and automatically restarts benefits within the three following years for beneficiaries with inconsistent earnings, Maine stakeholders impressed upon me that these provisions are complex and not widely understood. As a result, many beneficiaries are wary of testing their capacity for substantial work activity at any point.

With this in mind, beneficiaries might feel less constrained in assessing their ability to work if the earnings threshold were calculated over a longer time period than the existing monthly SGA test. A quarterly, semi-annual, or annual time frame could smooth out the effect of month-to-month deviations in earnings due to the often variable nature of return-to-work efforts. This change could be particularly helpful for beneficiaries with certain types of disabilities—such as episodic mood disorders—that may allow for substantial work activity within a given week or month, but which preclude full-time, year-round employment. At the same time this flexibility could also help to address seasonal worker shortages in states like Maine.

The President's FY 2012 budget proposed a related effort, the Work Incentives Simplification Pilot, which could be carried out under the new demonstration authority, or SSA could implement a separate pilot to test the effects of program simplification on work, earnings, and benefit levels. Whatever method is chosen, it is imperative that SSA undertake a robust effort to dramatically simplify work incentives, preferably targeted at states with high rates of SSDI benefit receipt and high incidences of benefit awards due to certain episodic mood disorders.

In closing, I appreciate your consideration of my above requests, so that SSA can best inform policymakers on how to effectively support Americans with disabilities who are willing and able to maintain or regain substantial employment. These demonstrations hold promise for people in Maine and across the country, and it is vital that SSA take full advantage of this opportunity. Should you have any questions about this letter, please direct your staff to contact Aisha Woodward or Will Woodworth in my office at 202-224-5344.

Sincerely,

A handwritten signature in blue ink that reads "Angus S. King, Jr." followed by a horizontal line.

Angus S. King, Jr.
United States Senator