

The Online Statement and MySSA Portal: SSA Should Take Additional Steps to More Effectively Communicate with the Public

Background

The Social Security Administration (SSA) has a responsibility to communicate in a clear, accurate, and accessible manner with two important groups: the 161 million workers who pay taxes needed to finance the Social Security system, and the 57 million individuals who currently receive Social Security retirement and disability benefits. Footnote 1: 2013 OASDI Trustees Report (end footnote). Specifically, the agency has a legal obligation to inform workers and their families about the benefits provided to them by Social Security, the financing of benefits, and the operations of the program and its trust funds. Footnote 2: Social Security Act, section 1143 [42 U.S.C. 1320b–13] (end footnote).

Since its inception more than 25 years ago, the *Social Security Statement* has become SSA's most direct and important means of communicating with both the taxpayers and the beneficiaries alike. The document was intended to serve three very important purposes:

1. to improve public understanding of Social Security;
2. to assist people in planning for their retirement security; and
3. to provide workers an opportunity to correct any errors in their earnings record.

The Advisory Board believes that the *Statement* should, for those reasons, be of high priority to the agency and that it should receive thoughtful, high level attention with respect to its content and its design. As the agency continues to face budget constraints, it could save administrative dollars by providing information on the *Statement* which subsequently reduces the number of calls to the agency's teleservice centers or the number of people visiting a field office.

In 2009, the Board published a comprehensive report that addressed specific ways in which the *Statement* could be improved. This paper does not provide a detailed update to that report; rather, it seeks to outline several issues of importance to the Board currently, especially in light of the recent cessation of mailing the *Statement*.

Suspension of *Statement* Mailings

Since 2011, SSA has suspended all scheduled mailings of the paper Social Security Personal Earnings and Benefit Statement (*Statement*). Citing budgetary constraints, then-Commissioner Michael Astrue argued that such an action was necessary and would save the agency about \$70 million in printing and postage costs annually. As SSA continues to face tight budgets, it seems unlikely that SSA will reinstitute these annual mailings. However, the agency has also further limited the public's ability to obtain a paper copy of their *Statement*, as it will no longer provide a paper copy even upon request, either in person at a field office, or on the 800 number.

Currently, the only way an individual can obtain a copy of their *Statement* is by creating a free online “My Social Security” (MySSA) account.

Given SSA’s concerns related to its budget, the decision not to mail all *Statements* annually may be understandable, and the creation of MySSA is a good start at building an electronic means of communicating with the public. However, the Board believes that denying people who request a paper copy of their *Statement* does not adequately serve a segment of the population that do not want to open a MySSA account or who do not have direct access to computer and internet services. A May 2013 survey conducted by the Pew Research Center found that approximately 85 percent of Americans were online. Footnote 3: Pew Research Center, [Who’s Not Online and Why](#), September 25, 2013. (end footnote). The most recent U.S. Census Bureau data show a significantly lower number – roughly 72 percent. Footnote 4: U.S. Bureau of the Census, [Computer and Internet Use in the United States: Population Characteristics](#), May 2013. (end footnote). SSA should allow for the 15 to 28 percent of Americans who do not have access to the internet at home, and others who do not choose to sign up for a MySSA account, and continue to provide paper *Statements* upon request.

Since SSA has made the decision to completely halt all paper production of the *Social Security Statement*, the Board believes that the agency owes it to the American public to, at the very least, notify them of this change. We therefore strongly encourage SSA to send all Social Security participants a one-time postcard that would inform them about the suspension of *Statement* mailings, how to obtain a copy, and to provide detailed instructions about how to register on the MySSA web-portal in order to view their *Statement*. Footnote 5: A sample of what such a mailer might look like can be found at the end of this report (end footnote). While the Social Security Administration’s website already contains information about the cessation of *Statement* mailings, it is highly likely that most Social Security participants have not seen it and remain unaware of the recent policy change. Footnote 6: Rather than an easy-to-find location such as the homepage, information regarding the halt in *Statement* mailings can only be accessed through the following [website link](#) (end footnote). Mailing out a one-time, notice in the form of a post card would cost much less than a complete *Statement* mailing, and would ensure continued communication about current Social Security program and policy issues including benefits that the American public may expect to receive in the future. If SSA felt that sending such a one-time mailer was too expensive, the agency could use Public Service Announcements (PSA) instead. Such messages are often distributed without charge and are extremely effective in raising awareness on topics considered to be in the public’s interest. PSAs therefore could prove successful in raising public awareness about program policies and benefits as well as the importance of retirement security.

Whether or not the Agency decides to adopt the recommendation to execute a one-time postcard mailing, the Board believes that prospective beneficiaries should receive a mailed *Statement*, unless they opt out, at designated intervals. For example, the *Statement* could be mailed every five years to workers aged 25-45, every three years to those aged 45-55, and every two years to those aged 55-59. Receiving a paper *Statement* in the mail from time to time still serves an important purpose for all workers – not just those aged 60 and above – that is not met adequately by an online version that people may or may not take advantage of routinely. At the very least, the agency should consider re-establishing the *Request a Social Security Statement* service so that individuals who want a mailed copy of their *Statement* could receive one. This would allow SSA to keep the public informed in a cost effective manner.

Fraud and Identity Theft Concerns

During recent meetings with Social Security Inspector General’s (IG) Office and the Social Security Commissioner’s Office, the Board has discussed the recent rise in allegations of identity theft and fraud, many of which involve the *MySSA* web portal. In a majority of cases, fraudsters obtain their victims’ personal information and create a *MySSA* accounts under their names. This allows the fraudsters to enter mailing addresses and alter account information for beneficiaries’ direct deposit payments. The Board has also heard reports of multiple hits to *MySSA* accounts and guessing at answers to security questions, thus temporarily locking the original owners out of their *MySSA* accounts.

Such incidents have led SSA to encourage the public to create online accounts as soon as possible, as it is the best way to prevent the recurrence of similar fraudulent activity. The Board supports this policy and also encourages the public to register on *MySSA*. However, we also urge the SSA to remain vigilant in ensuring high security in online transactions. Simply encouraging people to create an account should not be considered a viable, long-term solution to preventing fraud and identity theft. The agency must continue to determine new ways of protecting Social Security participants’ personally identifiable information (PII).

Retirement and Financial Planning

One of the most important functions of the *Statement* is that it seeks to assist individuals in ensuring retirement security through financial planning. This should be emphasized front-and-center in the *Statement*, and communicated to workers of all ages – not just younger workers. Planning for the future is especially important today, given ongoing transformations in non-Social Security retirement saving plans, their availability to workers in different sectors, and the greater saving and asset management responsibilities that they require from workers. Additionally, it must be emphasized that Social Security is not intended to replace 100 percent of wages at retirement – but rather to supplement an individual’s personal savings, pensions, 401(k), IRAs, etc. For example, a 65-year-old who retires in 2013 with a lifetime of “medium”

earnings (roughly \$43,720 in 2012) would receive approximately \$18,230 a year, or 42 percent of annual pre-retirement earnings. Footnote 7: 2013 OASDI Trustees Report, Table V.C7, under intermediate assumptions (end footnote).

Another important factor to consider is the projected depletion of the combined Old-Age, Survivors and Disability Insurance (OASDI) trust funds in 2033 and the Disability Insurance (DI) trust fund by as early as 2016 (2013 Trustees Report). At that point, annual Social Security tax revenues will not be sufficient enough to pay current beneficiaries, thus forcing policy changes under the threat of automatic, across-the-board cuts to benefits. The projected insolvency of the trust funds under current tax and benefit rules as well as the uncertainty of future legislative changes are particularly important factors to consider when planning for the future, and the agency owes it to the public to notify them about these considerations in the *Statement*.

Language Clarification on Retirement Benefits

The Board believes that some of the language on benefit estimates in the *Statement* is misleading. For example, the language describing the timing of benefit election and the timing of the worker's exit from the workforce should be very specific. These two actions do not necessarily have to occur at the same time, i.e., the timing of retirement need not coincide with the timing of Social Security benefit collection. As a result, benefits may turn out to be different than what appears in the *Statement*. The current phrasing, "if you stop working and start receiving benefits..." could lead people to infer that the decision to stop working and the decision to start receiving benefits must coincide. To avoid this misperception, SSA should add language detailing alternative possibilities in the timing of the two events: retirement and Social Security benefit collection. For example, the agency could easily show personalized retirement benefit amounts under alternative timings of retirement and benefit collection or, at a minimum, caution recipients about the likely effects on their benefit if they commenced benefits before retiring from their careers.

The language describing both the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) should also be improved. Created by legislation in 2004, these two provisions are often confusing and need to be rewritten in a clear and concise way. Both the elimination and offset provisions remove a windfall that some workers would otherwise receive on the retired worker's benefit amount (or his or her spouse's or widow(er)'s benefit amount) if these individuals also receive a pension from occupations not covered by Social Security. Footnote 8: Examples of such occupations typically include certain Federal, State, or local government employees as well as some public school teachers (end footnote). The provisions were designed to ensure that all workers are treated equally under the Social Security Act.

Conclusion and Recommendations

Since its inception over 25 years ago, the *Social Security Statement* has become SSA's most direct and important means of communicating with the workers who pay the taxes needed to finance the Social Security system as well as the program's current beneficiaries. SSA has made considerable progress in its decision to provide the *Statement* in an online format, despite budget constraints. However, the Board believes that additional steps should be taken to communicate more broadly the suspension of Statement mailings, re-initiate Statement mailing at longer but regular frequencies, and improve both the *Statement* itself as well as the current *MySSA* web portal.

First, SSA's decision to suspend paper mailings of the *Statement* for the foreseeable future was a discrete and significant policy change about which most Social Security participants are unaware. The agency has a responsibility to inform the public of this change. This could be accomplished at low cost through public service announcements or through a one-time mailer to workers notifying them that they will no longer receive the annual *Statement* until officials revoke the suspension. The mailer or public service announcement should also contain information about how to register for an online *MySSA* account in order to view a personalized *Statement*. Additionally, the Board believes it would be very good public service for SSA to reinstate the *Request a Statement* option, and to continue automatic paper mailings at designated intervals (e.g. 5 to 10 years), especially for those older than 50 years.

Second, additional steps could be taken to combat and prevent identity theft and fraud, particularly with regard to the *MySSA* internet portal. Simply encouraging individuals to open a *MySSA* account does nothing to help those who already have an account and who may also be vulnerable to attacks, for example. The solution must be more holistic and focus on the long-term IT infrastructure as soon as possible. Third, the *Statement's* central purpose is to assist individuals with their own retirement and financial planning. Though mentioned briefly, the Board believes that the current *Statement* does not place strong enough emphasis on the benefits of financial and retirement planning. Furthermore, the need to plan financially should be emphasized to individuals of all age groups. Finally, the language used for describing retirement benefits, the effects of alternative timings of retirement and benefit collection, and descriptions about complex but infrequently applicable benefit offset provisions should be improved.

Social Security Advisory Board

In 1994, when the Congress passed legislation establishing the Social Security Administration as an independent agency, it also created a 7 member bipartisan Advisory Board to advise the President, the Congress, and the Commissioner of Social Security on matters relating to the Social Security and Supplemental Security Income (SSI) programs. Advisory Board members are appointed to 6 year terms, made up as follows: three appointed by the President (no more than two from the same political party); and two each (no more than one from the same political party) by the Speaker of the House (in consultation with the Chairman and the Ranking Minority Member of the Committee on Ways and Means) and by the President pro tempore of the Senate (in consultation with the Chairman and Ranking Minority Member of the Committee on Finance). Presidential appointees are subject to Senate confirmation.

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SAMPLE: Important Information Regarding Your *Social Security Statement*

Dear John Q. Public,

This notice is being sent as a courtesy to inform you that in light of the current budget situation, we have suspended annual mailings of the *Statement* as well as the *Request a Social Security Statement* service. You are now able to view this important information online by creating a *my* Social Security account at the following [web address](#). *My* Social Security acts as a personalized web portal that will enable you to sign in and privately view your *Social Security Statement* at any time. By creating such an account, you are protecting yourself and keeping your personal Social Security information private. In fact, the Office of the Inspector General (OIG) has recently announced that simply creating your own *my* Social Security account is an important step in protecting yourself against fraud and identity theft.

In addition to being able to view your *Statement* online, the *my* Social Security account will allow current beneficiaries of Social Security, Medicare, and SSI to:

- Obtain a verification of your benefits;
- Check your benefit and payment information and your earnings record;
- Change your address and phone number; and
- Start or change direct deposit of your benefit payment.

If you are not currently receiving Social Security benefits, you can still use the *my* Social Security portal to review:

- Estimates of your retirement, disability, and survivors benefits;
- Your record of earnings, which we recommend you check at least once per year; and
- The estimated Social Security and Medicare taxes you have paid.

Reviewing this information is invaluable for your own financial planning purposes. If you are unable to create or encountered a problem with *my* Social Security, you may visit a local office or call 1-800-772-1213 (TTY 1-800-325-0778) between 7 a.m. and 7 p.m., Monday through Friday, for assistance.

Signature

Carolyn W. Colvin

Acting Commissioner

U.S. Social Security Administration

*Note: this is simply a sample of a what an SSA postcard might look like. This sample does not seek to represent the Social Security Administration in any way.