American Academy of Actuaries

American Academy of Actuaries
1850 M Street NW, Suite 300
Washington, DC 20036

August 19, 2026

Senate Committee on Finance
Attn. Editorial and Document Section
Dirksen Senate Office Building, Rm. SD-219
Washington, DC 20510-6200

Re: August 5 Senate Finance Committee Hearing, "Exploring Process Approaches for Addressing Social Security Solvency"

Dear Members of the Senate Committee on Finance:

On behalf of the Social Security Committee (Committee) of the American Academy of Actuaries (Academy),[1] we appreciate the opportunity to respond to the Finance Committee's question about establishing a nonpartisan commission (or similar advisory body). As described during the August 5 hearing, this commission would be tasked by the Finance Committee to develop recommendations for Social Security reform necessary to avoid trust fund resource depletion and consequent benefit reductions should no Congressional action be taken. The Finance Committee would then receive these recommendations and look to take legislative action to address the program's solvency issues. Creating a commission to provide nonpartisan advice seems reasonable, with the understanding that we have some strong recommendations and concerns to raise for the Finance Committee's consideration. Of primary importance is the urgency of the issue—without addressing this concern, some adverse consequences and risks will directly impact every American.

There is no question that there is a need for Congressional action, as the Old Age and Survivors Insurance (OASI) trust fund is projected to be depleted in the fourth quarter of 2032.[2] The Committee has long supported immediate Congressional action to strengthen and preserve the financial solvency of the trust funds supporting the Social Security program. The Academy has shared several suggestions over the years, including our Reforming Social Security Sooner Rather than Later issue brief, [3] and tools, like its Social Security Challenge.[4] These resources offered potential solutions to the funding crisis and provide Congress opportunities to make informed choices that will benefit consumers and the federal budget.[5] Time is of the essence, as the options to fix the system's near-term finances have already narrowed.

As you consider a commission, the Committee would encourage you to ensure that the make-up of the participants reflect the breadth and depth of the population, reflecting the perspectives of several different stakeholders.[6] If established, the commission should prioritize an informed and inclusive group with an aggressive

[1] The American Academy of Actuaries is a 21,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For 60 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.
[2] According to the 2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance (OASI) and Federal Disability Insurance (DI) Trust Funds. In addition, on a theoretically combined basis, the OASDI trust fund resources will be depleted in the first quarter of 2034. This will be further discussed in our upcoming issue brief, "Social Security Trust Fund Depletion."
[3] Reforming Social Security Sooner Rather Than Later; American Academy of Actuaries; 2026.
[4] Social Security Challenge - Actuary.org
[5] See https://www.ssa.gov/oact/ for the costing of numerous proposals and individual provisions.
[6] For example, see the membership of the National Commission on Social Security Reform ("Greenspan Commission" (1983).

timeframe to deliver actionable and realistic legislative solutions. A balanced, nonpartisan advisory group would be able to narrow the available choices in a timely manner, enabling Congress to act decisively ahead of the 2032 depletion. As with any federal commission, discussions and final recommendations should be open to the public. We would anticipate that the commission would leverage some of the resources found within the federal government, including the Social Security Administration's Actuarial Services team. They would offer much-needed technical support, as well as the actuarial expertise necessary to analyze any potential proposals or changes. Their unique understanding of the program and the risk factors that influence the solvency of the program offers an assurance that any proposal put forward would resolve the longstanding underlying issues that have brought us to this point.

Tens of millions of current Social Security beneficiaries depend and rely on their benefits. Future beneficiaries need sufficient lead time to adjust their savings trajectories in response to any benefit reductions. This underscores the need to address these concerns now. The longer action is delayed, the more likely the solution will have to come from revenue increases. Those who contribute—employers, employees, and others—will need to anticipate higher costs or taxes. Such a change warrants sufficient time to adapt to a different tax environment and the resulting increases in costs. While the timeline to decide is short, it is equally important to comprehensively assess the proposed solutions to ensure the most balanced and consumer-friendly outcome is achieved.

While attention has recently been focused on the 2032 trust fund depletion, the Committee believes it is equally important to consider how any reform affects Social Security's long-term sustainability. Ensuring a sustainable Social Security system is vital to addressing the long-term needs of an aging population. Sound Social Security policy should foster its sustainability and reduce uncertainty in both the near and long term, thus enhancing and rewarding Americans' trust in the 91-year-old public program.

As the Finance Committee is aware, the Academy represents the U.S. actuarial profession, sharing the expertise of our members with legislators and others as you work to address critical issues of risk and financial security. Our resources are frequently used across the aisle on Capitol Hill, by our peers within the federal regulatory landscape, and by consumer groups to help educate and inform. It is hard to discuss the future of Social Security without acknowledging similar solvency issues within the Medicare program. The Academy thinks holistically of these issues, just as we've done for more than 60 years. We are always available as a resource, particularly as you consider next steps in protecting and preserving the solvency of Social Security.

We believe that action on Social Security reform is extremely important and should be taken soon. We appreciate the opportunity to continue to engage with the Finance Committee and other members of Congress on this important topic. If you have any questions or would like to discuss these comments further, please contact Janae Nelson, the Academy's policy project manager, retirement (nelson@actuary.org).

Sincerely,

Sam Gutterman, MAAA, FSA, FCAS, FCA
Chairperson, Social Security Committee