Congress of the United States
Washington, DC 20510

December 15, 2015

Mr. Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Dear Mr. Cordray:

We are writing to express our concerns regarding the Consumer Financial Protection Bureau's ("CFPB") online Social Security retirement benefits planner ("planner").

The planner is intended to help consumers understand how their choice of a retirement age affects their future Social Security benefits. Unfortunately, the planner's estimates contain numerous inconsistencies compared to the Social Security Administration's ("SSA") retirement benefit calculations. These differences appear to be magnified for individuals close to retirement for whom this information matters the most. If the CFPB is to fulfill its own stated mission of "empowering consumers to take more control over their economic lives," then it must provide clear and accurate information for Americans making important financial decisions.

According to information on the CFPB's website, the planner's benefit estimates are based on "current formulas from the Social Security Administration." In fact, the planner's link, "Learn how estimates are calculated," takes users directly to the "Quick Calculator FAQs" on the SSA's website. However, the results of the CFPB's planner differ from the SSA's calculator in many instances without any reason given for these differences. Our respective staffs have identified a number of such discrepancies (Attachment #1).

Given the issues identified herein, we ask that you address several questions regarding the CFPB's retirement planner (Attachment #2).

Please submit your responses to this letter by January 31, 2016. If you have any questions about this request, please have your staff contact the appropriate staff on the Committee on Banking, Housing and Urban Affairs and the Committee on the Budget.

Sincerely,

Richard Shelby
Chairman
Committee on Banking, Housing and Urban Affairs
United States Senate

Michael B. Enzi
Chairman
Committee on the Budget
United States Senate

Attachment #1

The following are a few examples of the discrepancies between the SSA's Quick Calculator and the CFPB's retirement planner:

1. Early and Delayed Retirement: Using a birthdate of January 2, 1954, and an income of $50,000, the CFPB's planner shows a monthly benefit of $1,512 at age 66, which is consistent with the SSA calculator. At age 62, however, the planner shows a benefit of $1,134, while the SSA calculator shows a benefit of $1,078. The planner appears to consistently *overestimate* benefits for those who retire early. Conversely, the planner appears to consistently *underestimate* benefits for those who retire at age 70, showing a benefit of $1,996 compared to the SSA's amount of $2,087.

2. Different Retirement Year: Using a birthdate of January 2, 1949, and an income of $50,000, the SSA's calculator shows a monthly benefit of $1,498 at age 67 in January 2016. Using the same information, the CFPB's planner shows the same amount, but indicates it would be paid at age 66 in 2015; it shows a different amount of $1,618 at age 67 in 2016.

3. Different Retirement Age: Under current law, the full benefit claiming age will increase from 66 to 67 at a rate of two months per year between 2017 and 2022. Using a birthdate of January 2, 1959, and an annual income of $50,000, the SSA's calculator shows a monthly benefit of $1,597 at age 66 and 10 months, which is the full benefit claiming age. The CFPB's planner shows the same benefit at age 66, which obscures the fact that this amount would only be paid for two months at that age. If the user chooses to view annual, rather than monthly amounts, the planner shows benefits at age 66 of $19,164 (equal to $1,597 × 12 months) which is higher than the actual estimated amount of $3,194 (equal to $1,597 × 2 months) that would be paid at age 66.

4. Retroactive Benefits: Using a birthdate of January 2, 1952, and an income of $50,000, the SSA's calculator shows a monthly benefit of $1,185 at age 63 and 11 months in 2015 which would be the user's age in December of 2015. The CFPB's planner shows a different amount of $1,159 at age 63. It also displays a benefit at age 62, which would have been in 2014. Showing benefits for previous years is misleading because current law prohibits the payment of retroactive benefits before the full claiming age.

Attachment #2

Please address the following questions regarding the CFPB's retirement planner:

1. Why did the CFPB decide to develop an online Social Security benefits planner when one is available already through the SSA's website?

2. Please explain the reasons for any discrepancies. Identify any computational, methodological or programming errors that contributed to these results.

3. Did the CFPB conduct any comparisons between its planner and the SSA's "Quick Calculator" before the planner was released to the public? If so, please describe the findings of the comparison and the actions taken to resolve any differences. In addition, provide a copy of any written material, including notes regarding verbal comments, related to any assistance or input provided by SSA during any phase of the development or testing of the planner.

4. What budgetary resources has the CFPB devoted to the planner? In particular, how many CFPB employees or outside contractors have been assigned to develop, implement and maintain the planner, and how much money has been obligated to these activities? Please provide a copy of any agreements entered into with anyone outside the CFPB related to the planner.

5. Please explain if, when, and how the CFPB intends to address any discrepancies and provide an estimate of the cost of making such corrections.