

## Social Security Update – August 2025

By Susan Dixon, CalRTA President Emerita

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A new update has been reported concerning digital payments. The federal benefit disbursements are scheduled to move to electronic formats by September 30, 2025. While this mandate remains in effect, the Social Security Administration (SSA) recently announced a partial reversal of the policy. In response to public concern, SSA will continue to provide paper checks to approximately 500,000 beneficiaries—roughly 0.7% of all recipients—who can demonstrate they lack access to electronic banking. Eligible individuals may apply for a waiver through the U.S. Treasury Department.

To support this transition, SSA still encourages beneficiaries to enroll in direct deposit or use the Direct Express prepaid card. Mail notices will be sent to explain the upcoming changes and guide recipients through the process of switching to electronic payments.

Senator Elizabeth Warren (D-MA) played a pivotal role in this policy adjustment. During a meeting on July 28, 2025, with SSA Commissioner Frank Bisignano, she secured a commitment that paper check options would remain available for recipients who truly need them. In that meeting, Senator Warren also called for an independent audit of SSA customer service operations, highlighted concerns over staffing reductions, and stressed the need for transparency around wait times and service delivery failures.

Joining forces with Senators Ron Wyden and Mark Kelly, Senator Warren helped launch a Senate “War Room” focused on opposing SSA staff cuts and addressing the growing delays in beneficiary services. They and other lawmakers have framed these administrative changes as potential “back-door cuts” to Social Security benefits.

As a member of the Senate War Room on Social Security, I have been informed of this current update. We meet twice each month with the senator’s staffs and other organizations to share updates and raise concerns about the implementation of policy changes that could negatively impact older beneficiaries. It was through Senator Warren’s intervention and her direct meeting with Commissioner Bisignano that the risks of fully digitizing benefit payments—particularly for our most vulnerable older recipients—were brought to the forefront. I must note that as of August 3rd, there is no official update on the Social Security administration website. As more information unfolds I will continue to let our members know of any changes. If possible, we encourage our members to move to direct deposit.