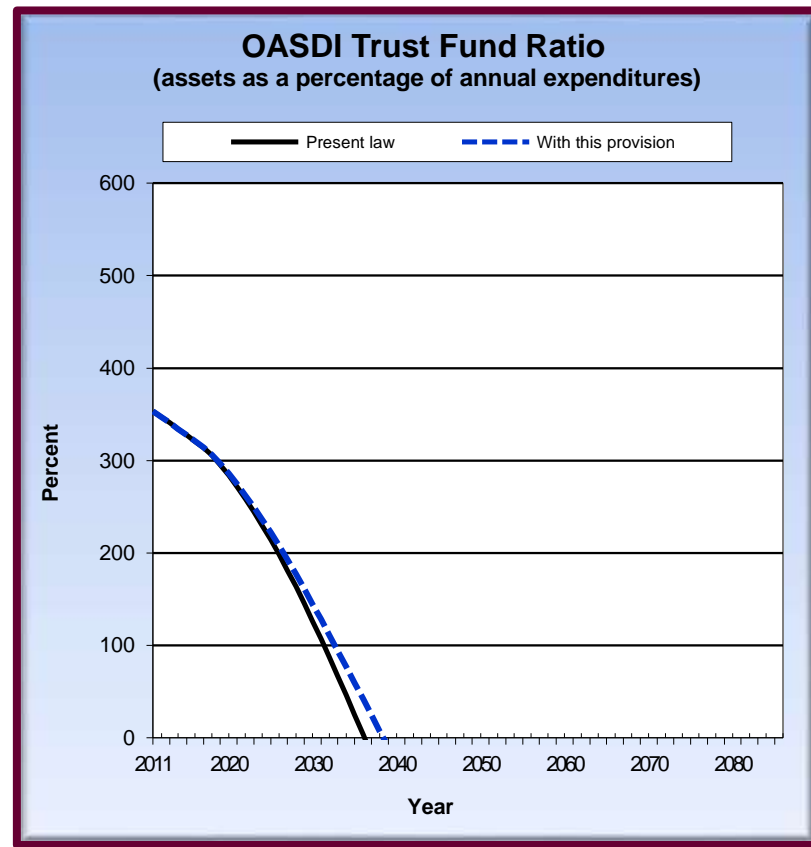
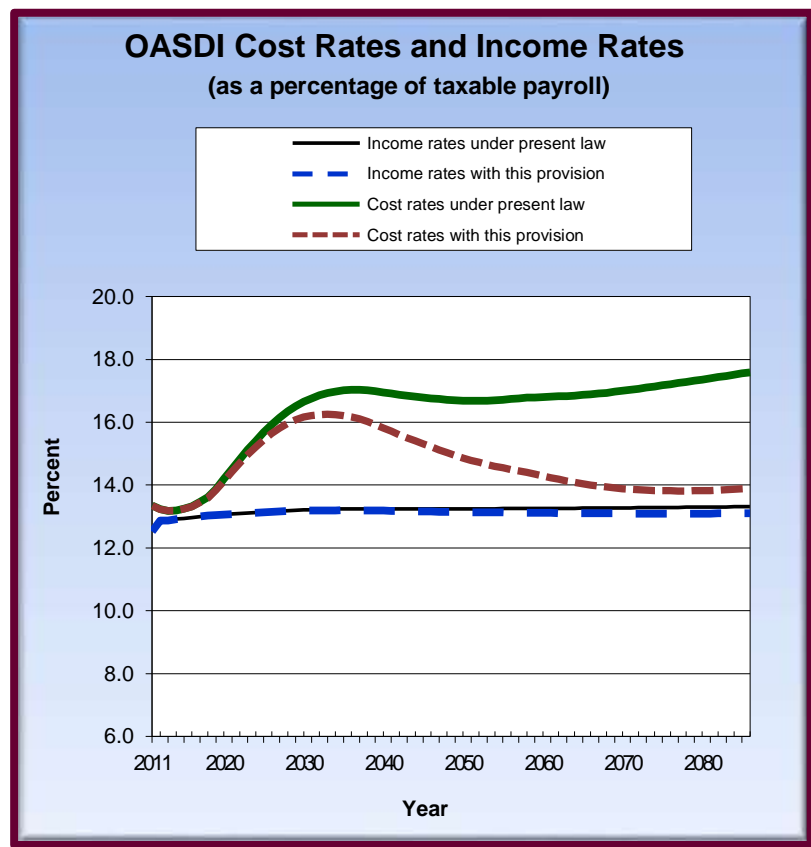


## Summary Measures and Graphs

### Category of Change: Level of Monthly Benefits

*Proposed Provision: Progressive indexing (30th percentile) of PIA formula factors beginning with individuals newly eligible for OASI benefits in 2014, continuing through 2063: Create a new bend point at the 30th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 30th percentile and below. Reduce the 32 and 15 percent formula factors above the 30th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum is reduced by 1.2 percent per year as compared to current law (for the years that progressive indexing applies). Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired worker beneficiary status.*

| <u>Present Law</u>           |                             | <u>Change From Present Law in</u> |                             | <u>Results with this provision</u> |                             |
|------------------------------|-----------------------------|-----------------------------------|-----------------------------|------------------------------------|-----------------------------|
| Long-Range Actuarial Balance | Annual Balance in 75th Year | Long-Range Actuarial Balance      | Annual Balance in 75th Year | Long-Range Actuarial Balance       | Annual Balance in 75th Year |
| -2.22%                       | -4.24%                      | 1.36%                             | 3.46%                       | -0.87%                             | -0.78%                      |



Estimates based on the intermediate assumptions of the 2011 Trustees Report

Office of the Chief Actuary, Social Security  
September 5, 2012