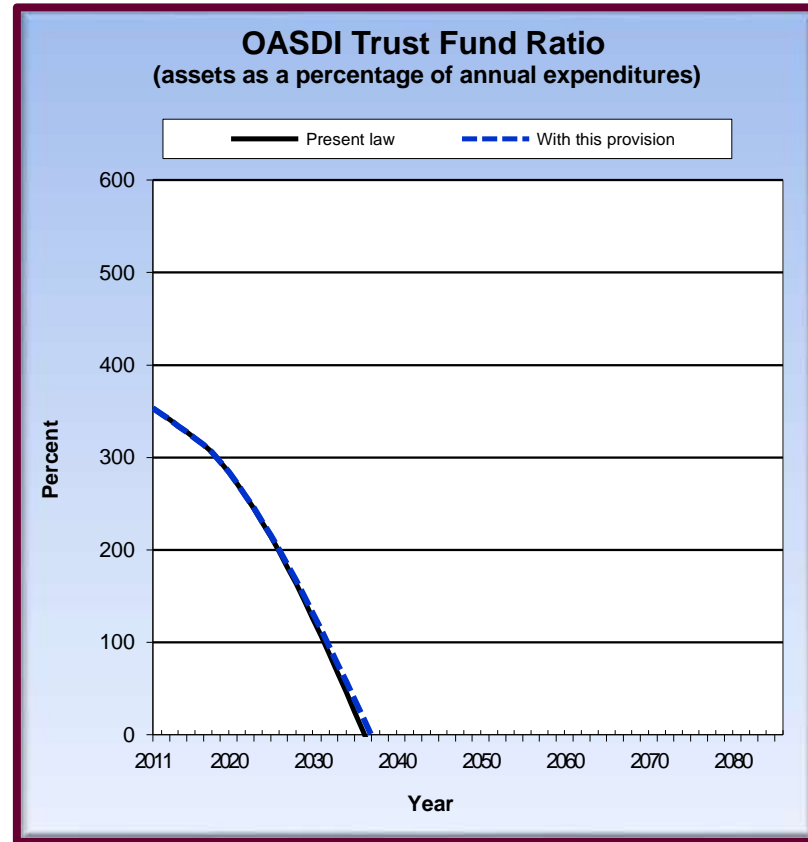
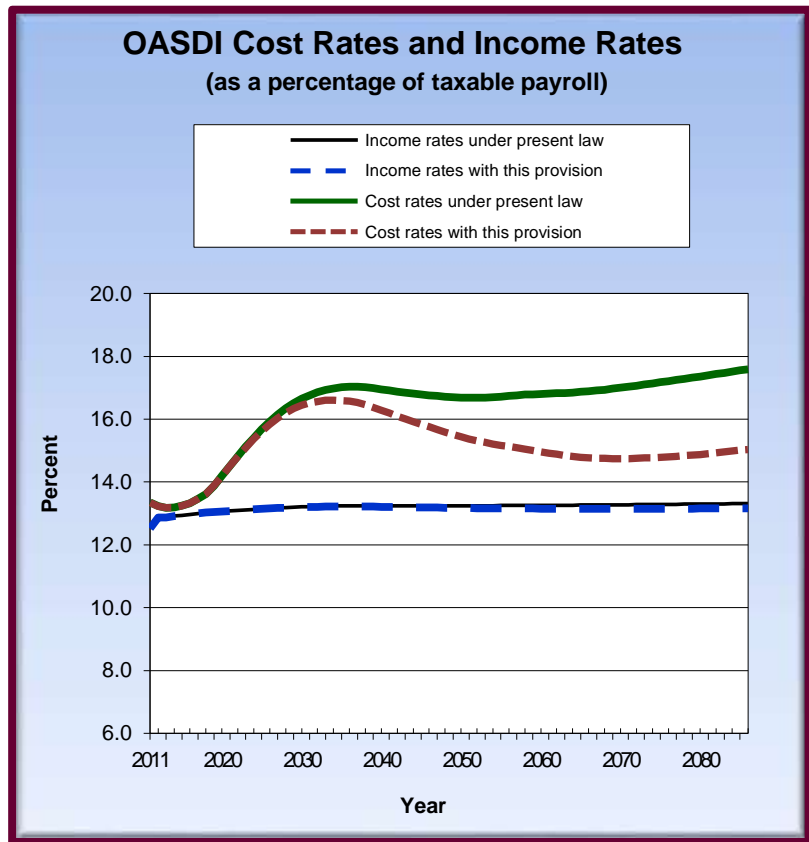


Summary Measures and Graphs
Category of Change: Level of Monthly Benefits

Proposed Provision: Progressive price indexing (40th percentile) of PIA formula factors for individuals newly eligible for OASI benefits in 2019 through 2056: Create a new bend point at the 40th percentile of the AIME distribution of newly retired workers. Maintain current-law benefit credit for earners at the 40th percentile and below. Reduce the 32 and 15 formula factors above the 40th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in average wages. 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. Young survivors (children of deceased workers and surviving spouses with a child in care) are not affected.

<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%	0.92%	2.40%	-1.31%	-1.85%



Estimates based on the intermediate assumptions of the 2011 Trustees Report

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