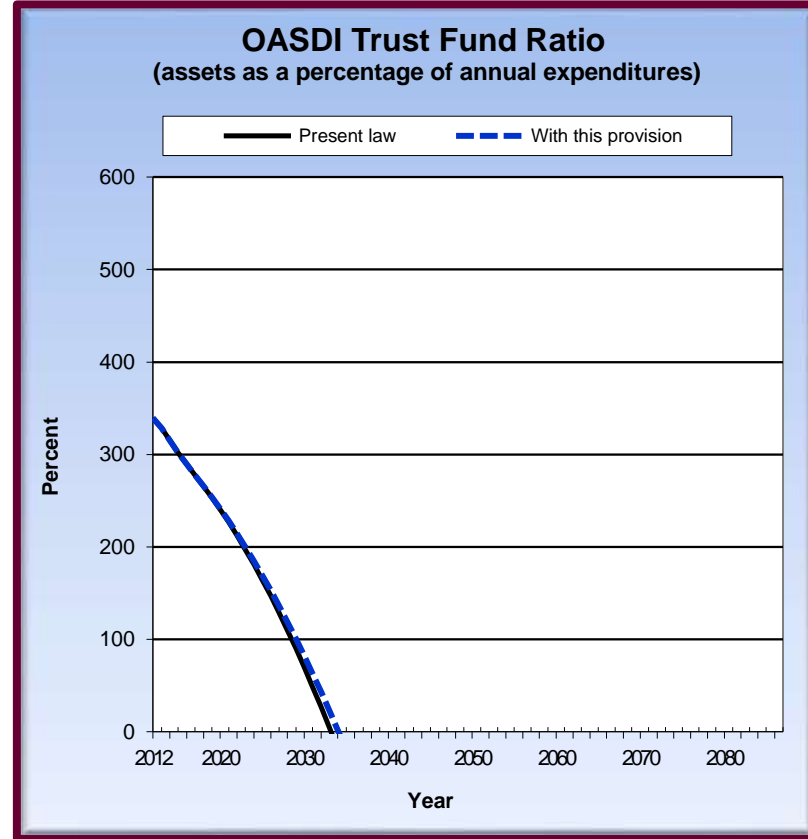
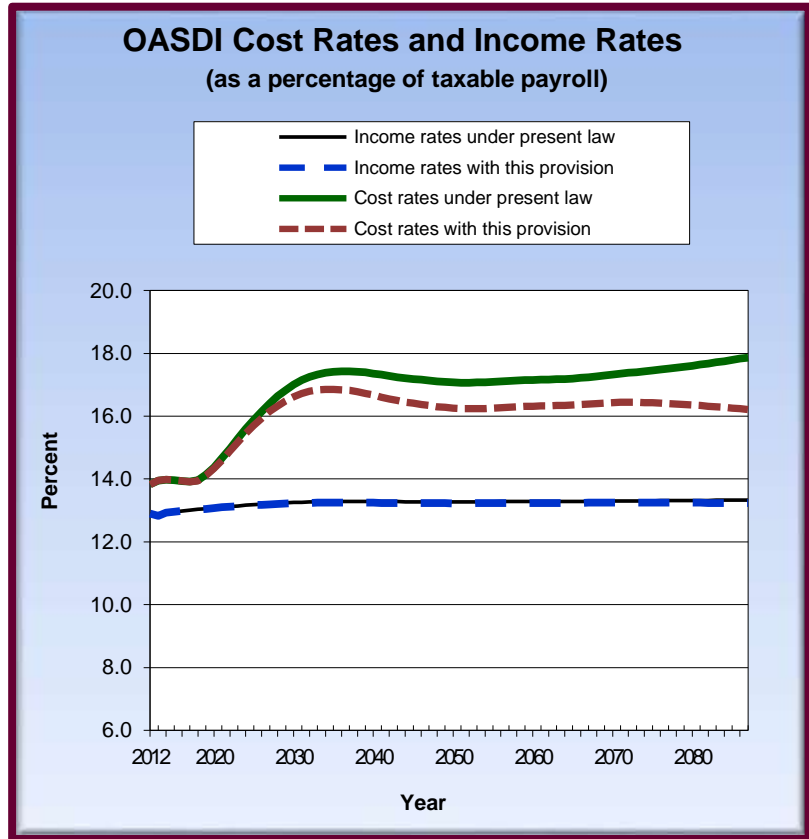


Summary Measures and Graphs
Category of Change: Level of Monthly Benefits

Proposed Provision: Progressive indexing (30th percentile) of PIA formula factors beginning with individuals newly eligible for OASI benefits in 2015, continuing through 2024, and then resuming in 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 1.12 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
-2.67%	-4.50%	0.58%	1.51%	-2.09%	-3.00%



Estimates based on the intermediate assumptions of the 2012 Trustees Report

Office of the Chief Actuary, Social Security
 February 20, 2013