

Summary Measures and Graphs

Category of Change: Level of Monthly Benefits (PIA)

Proposed Provision: Progressive price indexing of PIA formula factors beginning with individuals newly eligible for OASDI benefits in 2012. Create new bend point at the 60th percentile of earners. Maintain current-law benefits for earners at the 60th percentile and below and reduce upper 2 formula factors (32% and 15%) such that maximum worker benefit grows by inflation rather than the growth in average wages.

| <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 |
| -1.92% | -5.70% | 0.68% | 1.82% | -1.24% | -3.88% |

