

Summary Comparison vs. Scheduled Benefits
Population: current law beneficiaries aged 60+

Policy option	2030			2050			2070		
	Median benefit change overall	Percent with lower benefits	Percent with higher benefits	Median benefit change overall	Percent with lower benefits	Percent with higher benefits	Median benefit change overall	Percent with lower benefits	Percent with higher benefits
Cost of Living Adjustment									
Increase the cost of living adjustment Base it on the CPI-E	2%	0%	82%	2%	0%	83%	2%	0%	84%
Reduce the cost of living adjustment Base it on the Chained CPI	-3%	91%	0%	-4%	91%	0%	-4%	91%	0%
Coverage									
Cover all newly hired state and local workers	0%	0%	2%	0%	0%	7%	0%	0%	14%
Family Benefit									
Create an alternative survivor benefit Survivor receives the higher of the current law benefit or the alternative benefit equal to 75% of the survivor's own benefit plus the deceased worker's PIA	0%	0%	8%	0%	0%	9%	0%	0%	10%
Reduce marriage duration requirement for divorced spouse benefits Allow divorced spouses who were married at least 5 years to receive benefits, but at a reduced rate	0%	0%	1%	0%	0%	1%	0%	0%	1%
Reduce spousal benefits From 50% to 33% of the worker's PIA	0%	5%	0%	0%	6%	0%	0%	5%	0%
Individual Account									
Allow voluntary individual accounts Allow workers to voluntarily contribute an additional 2% of pay (up to the tax max) to an individual account	0%	0%	41%	6%	0%	87%	12%	0%	94%
Retirement Age									
Increase the EEA from 62 and the FRA from 67 At a rate of 1 month every 2 years starting in 2017 (EEA) and 2023 (FRA)	0%	9%	15%	0%	49%	21%	-3%	60%	21%
Increase the FRA from 67 At a rate of 1 month every 2 years starting in 2023 To 68, at a rate of 1 month every 2 years	0%	11%	0%	-2%	66%	0%	-6%	80%	0%
	0%	11%	0%	-2%	66%	0%	-5%	77%	0%

Taxation

Increase Social Security payroll tax from 12.4% To 15.2% and then to 18.0% in 2056	0%	0%	0%	0%	0%	0%	0%	0%	0%
Increase the earnings subject to taxation									
Make all earnings subject to the Social Security payroll tax, and include these earnings in benefit computations	0%	0%	6%	0%	0%	16%	0%	0%	19%
Make 90% of earnings subject to the Social Security payroll tax, include these earnings in benefit computations, and phase in from 2015 to 2024	0%	0%	5%	0%	0%	16%	0%	0%	19%
Tax health insurance premiums									
Apply the Social Security payroll tax to employer-sponsored health insurance premiums	0%	3%	12%	1%	2%	52%	3%	2%	72%

Worker Benefit

Credit earnings to caregivers' records									
Up to 5 years at one-half average wage when caring for children under age six	0%	1%	18%	0%	1%	26%	0%	1%	26%
Eliminate the retirement earnings test									
For retired worker beneficiaries aged 62 or older and for survivor beneficiaries aged 60 or older	0%	17%	3%	0%	32%	3%	0%	33%	3%
Increase benefits for older beneficiaries									
PIA increase is phased-in starting at 81 and by 85 is equal to 5 percent of the average retired-worker PIA in the year the beneficiary turns 80	0%	0%	22%	0%	0%	30%	0%	0%	30%
Increase the computation period from 35 years To 40 years (does not apply to DI)	0%	45%	0%	-3%	76%	0%	-3%	80%	0%
Index PIA factors to longevity									
Multiply factors by the ratio of life expectancy at 67 in 2018 to the life expectancy at age 67 in the 4th year prior to the year of initial benefit eligibility	0%	12%	0%	-3%	71%	0%	-8%	88%	0%
Price index the PIA formula									
Protect the bottom 30% of workers from price indexing	0%	27%	0%	-8%	70%	0%	-17%	77%	0%
Reconfigure the minimum benefit									
For workers with 10 to 30 years of coverage (YOC = 4 quarters earned that year) set PIA up to 125% of the monthly poverty guideline	0%	0%	10%	0%	0%	16%	0%	0%	17%
Reduce the 90%, 32%, and 15% PIA factors To 90%, 21%, and 10% over a 31-year period	-1%	53%	0%	-10%	90%	0%	-17%	95%	0%

Source: SSA/Office of Retirement Policy, using MINT 7 Run: 03/12/2015

Providing these estimates does not imply SSA support for the proposal, nor is SSA responsible for any interpretations of these estimates.

Summary Comparison vs. Payable Benefits
Population: current law beneficiaries aged 60+

Policy option	2050			2070		
	Median benefit change overall	Percent with lower benefits	Percent with higher benefits	Median benefit change overall	Percent with lower benefits	Percent with higher benefits
Cost of Living Adjustment						
Increase the cost of living adjustment Base it on the CPI-E	34%	0%	100%	36%	0%	100%
Reduce the cost of living adjustment Base it on the Chained CPI	25%	0%	100%	27%	0%	100%
Coverage						
Cover all newly hired state and local workers	30%	0%	100%	32%	0%	100%
Family Benefit						
Create an alternative survivor benefit Survivor receives the higher of the current law benefit or the alternative benefit equal to 75% of the survivor's own benefit plus the deceased worker's PIA	30%	0%	100%	32%	0%	100%
Reduce marriage duration requirement for divorced spouse benefits Allow divorced spouses who were married at least 5 years to receive benefits, but at a reduced rate	30%	0%	100%	32%	0%	100%
Reduce spousal benefits From 50% to 33% of the worker's PIA	30%	3%	97%	32%	3%	97%
Individual Account						
Allow voluntary individual accounts Allow workers to voluntarily contribute an additional 2% of pay (up to the tax max) to an individual account	39%	0%	100%	49%	0%	100%
Retirement Age						
Increase the EEA from 62 and the FRA from 67 At a rate of 1 month every 2 years starting in 2017 (EEA) and 2023 (FRA)	29%	2%	98%	27%	4%	96%
Increase the FRA from 67 At a rate of 1 month every 2 years starting in 2023	27%	1%	99%	23%	2%	98%
To 68, at a rate of 1 month every 2 years	27%	1%	99%	24%	2%	98%

	Taxation					
Increase Social Security payroll tax from 12.4% To 15.2% and then to 18.0% in 2056	30%	0%	100%	32%	0%	100%
Increase the earnings subject to taxation						
Make all earnings subject to the Social Security payroll tax, and include these earnings in benefit computations	30%	0%	100%	32%	0%	100%
Make 90% of earnings subject to the Social Security payroll tax, include these earnings in benefit computations, and phase in from 2015 to 2024	30%	0%	100%	32%	0%	100%
Tax health insurance premiums						
Apply the Social Security payroll tax to employer-sponsored health insurance premiums	32%	1%	99%	36%	0%	99%
	Worker Benefit					
Credit earnings to caregivers' records						
Up to 5 years at one-half average wage when caring for children under age six	30%	0%	100%	32%	0%	100%
Eliminate the retirement earnings test						
For retired worker beneficiaries aged 62 or older and for survivor beneficiaries aged 60 or older	30%	0%	100%	32%	0%	100%
Increase benefits for older beneficiaries						
PIA increase is phased-in starting at 81 and by 85 is equal to 5 percent of the average retired-worker PIA in the year the beneficiary turns 80	30%	0%	100%	32%	0%	100%
Increase the computation period from 35 years To 40 years (does not apply to DI)	26%	0%	100%	27%	0%	100%
Index PIA factors to longevity						
Multiply factors by the ratio of life expectancy at 67 in 2018 to the life expectancy at age 67 in the 4th year prior to the year of initial benefit eligibility	26%	1%	99%	20%	1%	99%
Price index the PIA formula						
Protect the bottom 30% of workers from price indexing	19%	9%	88%	8%	34%	63%
Reconfigure the minimum benefit						
For workers with 10 to 30 years of coverage (YOC = 4 quarters earned that year) set PIA up to 125% of the monthly poverty guideline	30%	0%	100%	32%	0%	100%
Reduce the 90%, 32%, and 15% PIA factors To 90%, 21%, and 10% over a 31-year period	16%	2%	96%	9%	2%	92%

Source: SSA/Office of Retirement Policy, using MINT 7 Run: 03/12/2015

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