



Bipartisan Proposals to Reform Social Security: Benefit Adjustments

Since 2010, Social Security has been paying more in benefits than it receives in revenue. Social Security faces permanent cash flow deficits, reaching \$1.3 trillion over the next 10 years according to the Congressional Budget Office.

- When today's 47-year-old workers reach their full retirement age in 2033, they and everyone else already receiving benefits face a 23 percent benefit cut unless Congress acts according to the Social Security Trustees.

To protect and preserve Social Security for future generations, there have been bipartisan calls to adjust Social Security benefits, including those proposed by the [National Commission on Fiscal Responsibility \("Simpson-Bowles Commission"\)](#) and the [Bipartisan Policy Center Debt Reduction Task Force \("Domenici-Rivlin Task Force"\)](#).

Slowing the growth of benefits for higher income individuals helps strengthen Social Security while protecting the most vulnerable.

- ["Reform of the Social Security benefit structure should proceed on the basis of principles and goals related to adequacy, protections in old age, encouragement of work to protect the tax base on which programs like this depend, and equal justice under the law for those equally situated."](#) (C. Eugene Steuerle testimony, May 23, 2013)

People are living longer than ever before. Had Social Security's full retirement age of 65 in 1940 been adjusted for increases in life expectancy, today's full retirement age would be 71.

- ["In 1940, when the new Social Security Administration began paying monthly retired-worker benefits, the "full retirement age" was 65. At that time, workers who survived to age 65 had a remaining life expectancy of 12.7 years for males and 14.7 years for females. In 2011, life expectancy at age 65 was 18.7 years for males and 20.7 years for females, an increase of six full years for males and females."](#) (American Academy of Actuaries testimony, May 23, 2013)

Acting soon means benefits for those who rely on Social Security the most can be protected and improved. A new minimum benefit could help those most in need.

- ["Unfortunately, the minimum benefit is now outdated... The original minimum level was indexed to prices, whereas benefits under the standard Social Security formula are indexed to earnings. Because earnings have grown faster than prices over the years, standard benefits have risen in real terms while the minimum benefit has not, rendering it largely obsolete."](#) (Domenici-Rivlin Task Force testimony, May 23, 2013)
- ["One of the Commission's key principles was that Social Security reform must ensure the program will continue to meet its basic mission: to prevent people who can no longer from work from falling into poverty."](#) (Simpson-Bowles Commission testimony, May 23, 2013)