



# The Social Security 2100 Act

Congressman John Larson

- **Expands benefits for all current and future Social Security recipients**
- **Cuts taxes for over 10 million seniors**
- **Ensures the system remains solvent for the rest of the century<sup>i</sup>.**

## The Social Security 2100 Act Expands Benefits

- **Benefit bump for current and new beneficiaries** – Provides an increase for all beneficiaries that is the equivalent of 2% of the average benefit. The United States faces a retirement crisis and a modest boost in Social Security benefits strengthens the one leg of the retirement system that has always stood up. [Sec. 101]
- **Protection against inflation** – Improves the annual cost of living adjustment (COLA) formula to better reflect the costs incurred by seniors through adopting a CPI-E formula. This provision will help seniors who spend a greater portion of their income on health care and other necessities. Improved inflation protection will especially help older retirees and widows who are more likely to rely on Social Security benefits as they age. [Sec. 102]
- **Protect low income workers** – No one who paid into the system over a lifetime should retire into poverty. The new minimum benefit will be set at 25% above the poverty line and would be indexed to wages to ensure that the minimum benefit does not fall behind. [Sec. 103]
- **Cut taxes for beneficiaries** – Over 10 million Social Security recipients would see a tax cut<sup>ii</sup>. Presently, your Social Security benefits are taxed if you have non-Social Security income exceeding \$25,000 for an individual or \$32,000 for couples. This would raise that threshold to \$50,000 and \$100,000 respectively. [Sec. 104]
- **Holding SSI, Medicaid, and CHIP Beneficiaries Harmless** – Ensures that any increase in benefits from the bill do not result in a reduction in SSI benefits or loss of eligibility for Medicaid or CHIP. [Sec. 105]

## The Social Security 2100 Act Strengthens the Trust Fund

- **Have millionaires and billionaires pay the same rate as everyone else** – Presently, payroll taxes are not collected on wages over \$128,400. This legislation would apply the payroll tax to wages above \$400,000. This provision would only affect the top 0.4% of wage earners. [Sec. 201, 202]
- **50 cents per week to keep the system solvent** – Gradually phase in an increase in the contribution rate beginning in 2019 so that by 2042, workers and employers would pay 7.4% instead of 6.2% today. For the average worker this would mean paying an additional 50 cents per week every year to keep the system solvent. [Sec. 203]
- **Social Security Trust Fund Established** – Social Security provides all-in-one retirement, survivor, and disability benefits funded through the dedicated FICA contribution paid by workers. There are technically two trust funds, Old-Age and Survivors (OASI) and Disability Insurance (DI), and the combined trust funds are what is usually referred to as the Social Security Trust Fund. This provision combines the OASI & DI trust funds into one Social Security Trust Fund. Enactment of this provision does not change Social Security's overall financial condition and does not increase the deficit or debt. [Sec. 204]

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<sup>i</sup> Based on the independent analysis of the SS 2100 Act by SSA's Chief Actuary that estimates it will keep the OASDI Trust Fund solvent beyond 2092.

<sup>ii</sup> SSA – [Income of the Population 55 and Older](#)