



The Social Security 2100 Act

Congressman John B. Larson

- **Increases benefits for all current and future Social Security recipients**
- **Cuts taxes for almost 12 million seniors**
- **Ensures the system remains solvent for the rest of the centuryⁱ**

The Social Security 2100 Act Increases Benefits

- **Benefit bump for current and new beneficiaries** – Provides an increase for all beneficiaries that is the equivalent to about 2% of the average benefit. The US faces a retirement crisis and a modest boost in benefits strengthens the one leg of the retirement system that is universal and the most reliable. [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 tied to wage levels to ensure that the minimum benefit does not fall behind. [Sec. 103]
- **Cut taxes for beneficiaries** – Almost 12 million Social Security recipients would see a tax cutⁱⁱ. Presently, Social Security benefits are taxed if a person's non-Social Security income exceeds \$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 does 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 \$132,900. 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 2020, so that by 2043 workers and employers would pay 7.4% instead of 6.2%. For the average worker this means 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 that are usually referred to as the Social Security Trust Fund. This provision combines the OASI & DI trust funds into one Social Security Trust Fund, to ensure that all benefits will be paid. [Sec. 204]

ⁱ Based on the independent analysis of the SS 2100 Act by SSA's Chief Actuary, showing that it restores full solvency to Social Security throughout the 75-year projection period and achieves "sustainable solvency" thereafter.

ⁱⁱ As estimated by the Joint Committee on Taxation