



In 1935, President Roosevelt signed the Social Security Act (above). Today:

- For two-thirds of retirees, Social Security makes up over half of their income.<sup>1</sup>
- Social Security **boosts the economy** by supporting \$1.4 trillion in economic activity and over 9 million jobs each year.<sup>2</sup>
- Social Security is our most **effective anti-poverty program**, lifting 22 million out of poverty, including 1 million children.<sup>3</sup>

There is nothing like Social Security in the private sector. With inflation protection and the guarantee that you will never outlive your benefits, Social Security is an all-in-one insurance system for:

**RETIREMENT – SURVIVORS  
DEPENDENTS – DISABILITY – SPOUSES**

## SOCIAL SECURITY IS NOT AN ENTITLEMENT

It is the insurance that you contribute to with every paycheck. That is what FICA stands for:

### Federal Insurance Contributions Act

Social Security has never missed a payment or added to the deficit since Ida May Fuller received the first check on January 31, 1940.

## SOCIAL SECURITY IS AFFORDABLE

- Many have suggested we can't afford Social Security and that today's workforce shouldn't count on its benefits. That is plain wrong.
- Cutting benefits would be a mistake. Workers today have seen stagnant wages, are less likely to find a job with a pension, and have 401(k)'s and savings plans that aren't enough for a secure retirement.
- The fact is Social Security has built up \$2.8 trillion in reserves and is fully solvent until 2034. However, if we take no action, benefits are scheduled to fall by one-quarter after 2034, which is why we must act to strengthen the system now.

There are commonsense measures we can take to preserve and strengthen this bedrock program for generations to come...

## THE LARSON SOCIAL SECURITY PROPOSAL

### STRENGTHENING BENEFITS

#### BUILDING ON WHAT WORKS

- **Provides an across-the-board increase for all beneficiaries.**
- **Improves the Cost-of-Living Adjustment (COLA)** to take into account the true costs incurred by seniors.
- **Provides a tax break to Social Security recipients** by raising the threshold for taxation on benefits to \$50,000 for individuals (\$100,000 for joint filers). Presently, Social Security beneficiaries making more than \$25,000 (\$32,000 for joint filers) per year pay taxes on their benefits.
- **Protects retirees from falling into poverty.**

### STRENGTHENING THE TRUST FUND

KEEPS THE PROGRAM SOLVENT BEYOND THE NEXT 75 YEARS, CERTIFIED BY THE SOCIAL SECURITY'S CHIEF ACTUARY

**Only 50 cents per week for the average worker.** Implements a small, gradual increase in workers' and employers' contributions to the Social Security Trust Fund.

**Ensures that millionaires and billionaires pay into the system like everyone else.** Presently, payroll taxes are not collected on wages over \$128,400. This proposal would apply the payroll tax to wages above \$400,000.

## THE LARSON PROPOSAL: WHAT IT MEANS FOR YOU

### FOR ALL CURRENT BENEFICIARIES

- Tax cut for those who pay taxes on their Social Security benefits.
- \$300 more per year for the typical retiree.<sup>4</sup>
- Improved cost-of-living adjustment (COLA).

### Greater Retirement Security for Women

Benefit increases that are targeted to women, who on average live longer than men and receive lower benefits

### Lower Income Americans

A minimum benefit to protect workers from falling into poverty in retirement.

### Elderly Americans

For someone retiring today, their benefits will be 5% greater at age 85 than they would be under the current system.<sup>5</sup>

### Workers and Future Retirees

The assurance of knowing the system remains on strong footing and the guarantee that the Trust Fund will be able to meet benefit obligations beyond 2092.

## CONTACT

For more information about the  
Larson Proposal visit:  
**larson.house.gov**

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## REFERENCES

1. Social Security Administration
2. AARP Report: "Social Security's Impact on the National Economy"
3. Center on Budget and Policy Priorities
4. Based on a 2% increase from the \$16,848 average annual Social Security retirement benefit
5. Office of the Chief Actuary, Memo 04-05-17



For more information about Social Security  
in general visit the Social Security  
Administration's website at:  
**www.SSA.gov** or call 1-800-772-1213



## The Social Security 2100 Act:

Strengthening the  
Middle Class's Insurance  
System for this Century  
and Beyond

