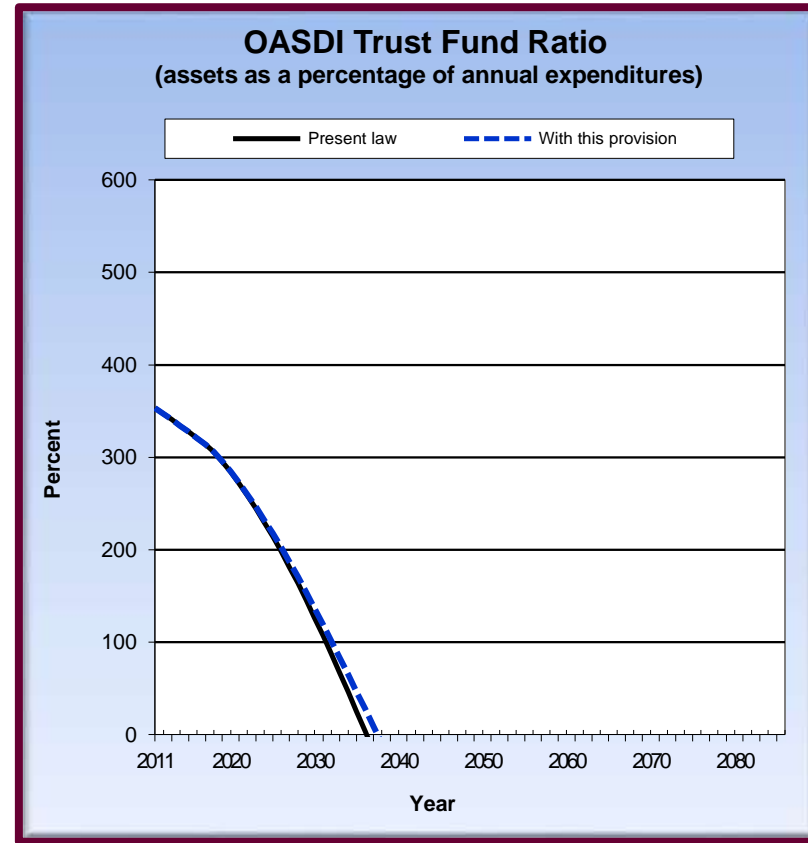
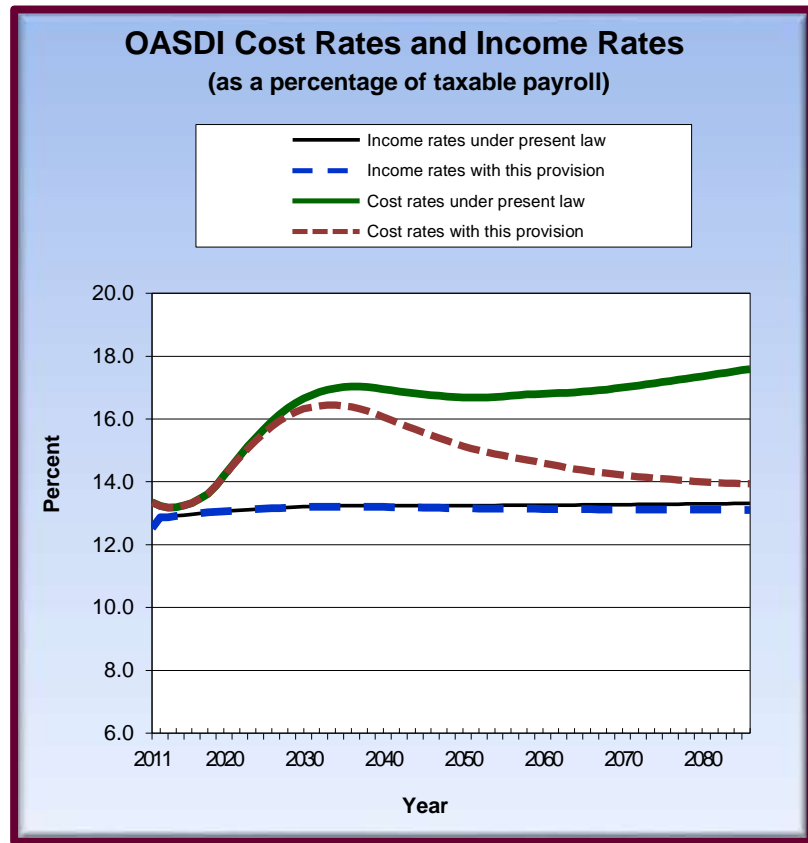


Summary Measures and Graphs

Category of Change: Level of Monthly Benefits

Proposed Provision: Progressive price indexing (40th percentile) of PIA formula factors beginning with individuals newly eligible for OASDI benefits in 2018: Create a new bend point at the 40th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 40th percentile and below. Reduce the 32 and 15 percent formula factors above the 40th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in average wages.

<u>Present Law</u>		<u>Change From Present Law in</u>		<u>Results with this provision</u>	
Long-Range Actuarial Balance	Annual Balance in 75th Year	Long-Range Actuarial Balance	Annual Balance in 75th Year	Long-Range Actuarial Balance	Annual Balance in 75th Year
-2.22%	-4.24%	1.18%	3.41%	-1.04%	-0.83%



Estimates based on the intermediate assumptions of the 2011 Trustees Report

Office of the Chief Actuary, Social Security
September 5, 2012