

Summary Measures and Graphs

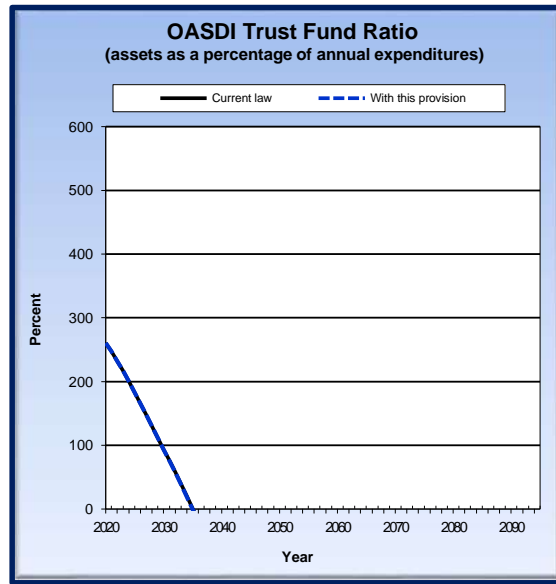
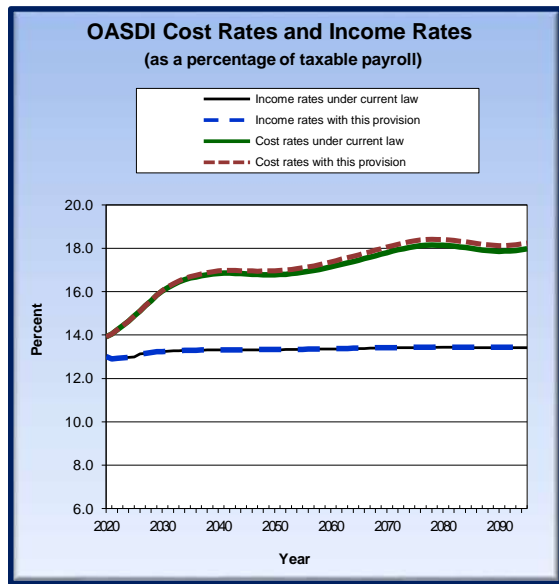
Category of Change: Level of Monthly Benefits

Proposed Provision: B5.9. Beginning for those newly eligible in 2022, reconfigure the special minimum benefit: (a) A year of coverage is defined as a year in which 4 quarters of coverage are earned. (b) At implementation, set the PIA for 40 years of coverage equal to 125 percent of the monthly Aged Federal poverty level (about \$1,277 in 2019). For those with 20 or fewer years of coverage, phase up linearly from 0 percent of the poverty level for 10 years of coverage to 100 percent of the poverty level. For those having between 20 and 40 years of coverage, phase up linearly from 100 percent of the poverty level at 20 years of coverage to 125% of the poverty level for 40 or more years of coverage. (c) For newly eligible workers in 2022 and 2023, index the applicable poverty level using the CPI index, to the year prior to eligibility. Then, for newly eligible workers in 2024 and later, index the PIA per year of coverage by wage growth for successive cohorts. (d) Disabled workers have a somewhat similar minimum benefit, with work requirements scaled based on the number of years of non-disabled potential work.

Current law [percent of payroll]	
Long-range actuarial balance	Annual balance in 75th year
-3.21	-4.51

Change from current law [percent of payroll]	
Long-range actuarial balance	Annual balance in 75th year
-0.16	-0.25

Shortfall eliminated	
Long-range actuarial balance	Annual balance in 75th year
-5%	-6%



Estimates based on the intermediate assumptions of the 2020 Trustees Report

Office of the Chief Actuary
Social Security Administration
May 26, 2020