Enhancing Social Security for Women and other Vulnerable Americans:
What the Experts Say

With an appendix of recently proposed legislation affecting Social Security

Heidi Hartmann, Ph.D.
About this Report

This report was conducted by Institute for Women’s Policy Research (IWPR) to gather expert opinion about the likely direction and timing of new legislation affecting Social Security and to identify opportunities to raise the special concerns of women and other vulnerable populations in future legislative debates, so that their needs can be addressed. Support for this study was provided by a generous grant from the Ford Foundation.

About the Institute for Women’s Policy Research

The Institute for Women's Policy Research (IWPR) conducts rigorous research and disseminates its findings to address the needs of women, promote public dialogue, and strengthen families, communities, and societies. The Institute works with policymakers, scholars, and public interest groups to design, execute, and disseminate research that illuminates economic and social policy issues affecting women and their families, and to build a network of individuals and organizations that conduct and use women-oriented policy research. IWPR's work is supported by foundation grants, government grants and contracts, donations from individuals, and contributions from organizations and corporations. IWPR is a 501 (c) (3) tax-exempt organization that also works in affiliation with the women's studies and public policy and public administration programs at The George Washington University.

Institute for Women’s Policy Research
1200 18th Street NW, Suite 301
Washington, DC 20036
202-785-5100
www.iwpr.org

Board of Directors

Holly Fechner, Chair
Covington & Burling LLP

Lorretta Johnson, Vice-Chair
American Federation of Teachers, AFL-CIO

Susan Meade, Secretary
Phillips Oppenheim

Sylphiel Yip, Treasurer
G.X. Clarke & Co.

William Baer
Bloomingdale's

Martha Darling
Boeing (retired)

Ellen Delany
Delany, Siegel, Zorn & Associates, Inc.

Cindy Estrada
United Automobile Workers

Lynn Gitlitz
Business Development Consultant

David A. Goslin
American Institutes for Research, former CEO

Ellen Karp
Anerca

Kai-yan Lee
Vanke

Cynthia Lloyd
Population Council, Consultant

William Rodgers
Professor, Rutgers University

Sheila Wellington
NYU/Stern School of Business, Professor Emeritus

Marcia Worthing
New York, NY

Leslie Platt Zolov
Pfizer

Heidi Hartmann, President
Institute for Women’s Policy Research

Barbara Gault, Vice President
Institute for Women’s Policy Research
Enhancing Social Security for Women and other Vulnerable Americans: What the Experts Say

Heidi Hartmann, Ph.D.

with an Appendix of Recently Proposed Legislation affecting Social Security
The author wishes to thank all those who agreed to be interviewed for generously giving their time and sharing their insights about the Social Security system and the policy process that shapes it. Assistance in scheduling the interviews was provided by Christopher Turman, consultant to IWPR, and Ashley English, formerly at IWPR, and in transcribing the interviews and providing research support by Youngmin Yi and Jocelyn Fischer, both formerly at IWPR, and by Elyse Shaw, special assistant to the President. Susan Andrzejewski, acting special assistant to the president, and Mary Sykes, intern, prepared Appendix II on pending legislation. Jennifer Clark, IWPR’s communications manager, provided important guidance on content and, with Mallory Mpare, communications associate, prepared the final report. Outside reviewers, Nancy Altman, Molly Checksfield, and Eric Kingson, all from Social Security Works, are also gratefully acknowledged; any remaining errors are of course the responsibility of the author. Finally, deep appreciation is extended to Kilolo Kijakazi, program officer at the Ford Foundation, whose guidance and support of the Institute’s work on Social Security have enabled us to highlight the concerns of women and other vulnerable populations.
Table of Contents

Introduction | 1

I. Dealing with Solvency Sooner or Later | 5

II. Proposals to Improve Social Security for Women and Other Vulnerable Groups | 7
  Improving Benefit Adequacy | 7
  Modernizing Social Security to Account for Changes in Women’s Lives and Family Structures | 8
  Including College Students | 10
  Enhancing Revenues | 11
  Tradeoffs: Cutting Some Benefits to Increase Others? | 12

III. Additional Issues in Social Security and Retirement | 15
  Strengthening the Private Retirement System | 15
  Helping Workers Understand Social Security | 16
  Strengthening the Disability System | 16
  Improving Supplemental Security Income (SSI) | 17

IV. Reimagining the Fundamental Purposes of the Social Security System | 19

V. Did Experts Expect Congress to Tackle Social Security in the Five Years following the Interviews? | 21


VII. Conclusion | 27

Appendix I: Interview Procedure | 31

Appendix II: Legislation Affecting Social Security Introduced in the 110th—113th Congress | 35

References | 41
Introduction

The recession of 2007-2009 and the slow economic recovery and continuing economic stress experienced by many in the United States have brought the country’s fiscal health into the spotlight. Increased media coverage and political debate about annual deficits and the national debt have raised public awareness of the fiscal status of large federal insurance systems, such as Social Security. Prominent organizations and public figures, such as AARP, the National Committee to Preserve Social Security and Medicare, Social Security Works, the AFL-CIO, the Fix the Debt Campaign, millionaire and think tank funder Pete Peterson, public intellectual Maya MacGuineas, and Senators Bernie Sanders and Elizabeth Warren have communicated their thoughts and opinions regarding cutting, expanding, eliminating, or protecting this generally popular social insurance system. Along with the resurgence of suggestions to cut or shrink Social Security at one end of the range of opinion, at the other end of the range are those who argue that the adequacy of Social Security benefits in retirement—particularly for historically vulnerable groups such as women, single mothers, and people of color—must be enhanced. A study of expert opinion about the likely direction and timing of changes to Social Security was undertaken by the Institute for Women’s Policy Research (IWPR) to identify and assess opportunities to raise the special concerns of women. Of particular interest are the likely timing of change and the openness of policymakers in Congress and the Administration to addressing women’s unique concerns regarding the adequacy and equity of Social Security benefits.

This report summarizes interviews conducted with 30 experts, including researchers, policymakers, and advocates, on the topic of potential reforms to Social Security. The interviews were designed to learn what these experts see as the likely path and timetable of changes to Social Security. A second major purpose of the interviews was to learn how informed policymakers are about changes that might especially help women and other vulnerable groups and how open to making such changes they seem to be. All of the interviews were conducted before President Barack Obama created the National Commission on Fiscal Responsibility and Reform (NCFRR) in 2010, and interviewees were asked about their views of the likelihood of the success of any future bipartisan commission meeting on deficit reduction and/or such social insurance programs as Social Security and Medicare.

The interviewees include 5 members of Congress, 10 staff members, 2 former members of Congress, 5 senior leaders (or former leaders) of the Social Security Administration (SSA) and the Executive Branch, and 8 leaders and experts from think tanks, advocacy groups, academia, and elsewhere. (See Appendix I for discussion of methods and a list of those interviewed.) Two of those who served on the Commission (Representatives Schakowsky and Spratt) were interviewed, as was a staff member of another (Representative Ryan). Many of the interviewees have worn more than one hat. Examples include former members of Congress or congressional staffers who now are (or were) in top leadership positions of advocacy groups or trade associations; current staffers with past think tank and/or federal agency experience; current or former high-level Social Security
Administration leaders with academic or think tank backgrounds (and vice versa); academics with policy experience; and several who move between think tanks, policy positions, and academic appointments.

Much has happened since the President appointed the NCFRR, which was chaired by Erskine Bowles, a Democrat from North Carolina who had served as President Clinton’s chief of staff, and Alan Simpson, a former Republican Senator from Wyoming. The Commission largely completed its work by the original deadline of early December 2010, but never formally issued a report containing a proposal for a fiscal plan to be considered by Congress because no proposal mustered the 14 (of 18) required Commission member votes. Instead the two co-chairs issued their proposal, which became widely known as the ‘Bowles-Simpson’ report, and was often represented as the full Commission’s report. Their report included both expenditure cuts and changes to both Social Security and federal income taxes, including proposals that would increase revenues. Overall, the plan was designed to achieve significant deficit reduction.

Since no actionable ‘deal’ emerged from the Commission, Congress appointed its own ‘super committee,’ formally the Joint Select Committee on Deficit Reduction, created by the Budget Control Act of August 2011. The purpose of this committee was again to propose a method for reducing the deficit over 10 years; its plan—had one resulted from its deliberations—would have received an up or down vote in Congress, without amendment, before the end of 2011. The super committee also could not reach agreement, and thus the fall back provisions enacted in August, that provided for $1.2 trillion in across-the-board automatic spending cuts, were scheduled to go into effect on January 1, 2013. These automatic spending cuts became known as the ‘sequester.’ At the end of December 2012 a last-minute agreement between the Administration and Congress was reached to retain much of the earlier tax cuts of President George W. Bush and delay the implementation of the sequester until March 1, 2013. A further budget agreement between the Democratic-led Senate and the Republican-led House in December 2013 moderated the sequester cuts for the remainder of the 2014 fiscal year and for the 2015 fiscal year (ending September 30, 2015) without securing much additional revenue. The general failure of Congress to create a long-term solution to fiscal balance certainly proves those interviewees, who suggested such a solution would be unlikely in the near-term, essentially correct. The smaller compromises that occurred at year-end in 2012 and 2013 do not approach a major package of changes.

In addition to the issue of fiscal management for the nation as a whole, as well as long-term solvency for Social Security, the experts interviewed had much to say. Interviewees discussed a wide range of ideas for potential adjustments to the existing Social Security system, including expansion of benefits, revenue enhancement, and cost-cutting tradeoffs for those adjustments, many of which have since been incorporated into proposed legislation (see Appendix II for a summary of relevant proposed legislation in the current and recent Congresses). Republican policymakers, as well as some Democrats, noted the perceived necessity or desire to cut benefits or growth in benefits to address the problem of the system’s long-term funding gap, although this point of view is at odds with

Benefit adequacy, particularly for those at the low end of the income spectrum, stood out as an overarching policy priority.
public opinion and demonstrated public need, as other experts interviewed pointed out. Benefit adequacy, particularly for those at the low end of the income spectrum, stood out as an overarching policy priority. But it was almost universally believed that benefit adequacy would only be addressed in conjunction with Social Security’s long-term solvency. Either the respondent personally believed it important that benefit adequacy be addressed in the context of ongoing discussions about the system’s solvency or he or she anticipated that pressure from those outside the Beltway would require public officials to take up the issue of long-term solvency. A few of the interviewees expressed the hope that solving the long-term finances of Social Security would be perceived positively as a ‘down payment’ on the reduction of the national debt relative to gross domestic product. This tension between widespread concern for the nation’s fiscal management and the need to support the economic security of Americans in the wake of the recent recession is apparent throughout these interviews, and indeed reflects the tone of public debate about Social Security after the President’s Fiscal Commission and the Super Committee failed to agree on a plan for deficit reduction.

One of the most unanticipated changes since the fall of 2009, when the vast majority of the interviews was conducted, is the change in the climate of the budget discussion surrounding Social Security. Most importantly, the political climate in the U.S. Congress has become much more polarized. On the one hand, the November 2010 congressional elections shifted the majority in the House of Representatives to the Republicans and many newly elected ‘tea party’ Republicans made up that majority—tea party members are generally against tax increases and for a smaller size of government. On the other hand, since the 2012 elections and the resulting re-election of President Obama, members on the progressive end of the Democratic Party, especially in the Senate, have become emboldened to proclaim the need for increased Social Security benefits without proposing any offsetting cuts in expenditures and/or to argue for revenue increases for Social Security. This polarization almost certainly reduces the chances of a reconciliation of the nation’s long term fiscal situation in the form that many experts have envisioned—as requiring both cuts in spending (or a cut in the rate of increase in spending) and new sources of revenue. What could be called the Washington Consensus view on Social Security reform is now being challenged from both the right and the left.

The nearly five years that intervened since the interviews were conducted brought about several additional changes that affected the political climate:

---

1 See Institute for Women’s Policy Research (2011) and Hess, Hayes, and Hartmann (2011) for survey results showing that most Americans do not support slowing the growth of Social Security spending to resolve the country’s deficit issues. Reliance of the older population on Social Security benefits is increasing (Hartmann, Hayes, and Drago 2010).
Slow but steady economic growth has reduced the annual deficit by almost half its former size and moderated the rate of growth of the national debt, potentially reducing support for further budget cuts (Lawder 2014). As a result, proponents for a ‘grand fiscal bargain,’ often led by ‘budget hawks’ and groups like Fix the Debt, who argue that reducing the debt is essential to the nation’s survival, seem to have lost ground (Weigel 2013).

A 16-day shutdown of the federal government in October 2013 due to the failure of Congress to agree on extending borrowing and so increase the national debt (which was necessary to fund activities Congress had already approved) was highly unpopular with the American public, likely reducing congressional appetite for further standoffs as a tactic to reduce the size of government (Lawder 2014).

Advocates for improved benefits for Social Security and against Social Security cuts were able to organize effectively and succeeded in keeping cuts to Social Security benefits out of every fiscal deal negotiated since the interviews were conducted in the fall of 2009 (Seitz-Wald 2014). Moreover, President Obama, who included a proposal in his 2014 fiscal year budget to reduce benefits by using a generally-smaller current price index, known as the ‘chained CPI,’ as the cost of living adjustment for Social Security (which was explained by the White House as an offer to the Republicans in Congress to begin serious negotiations toward a grand fiscal bargain), has not included that same proposal in his fiscal year 2015 budget (Shear 2014).

Despite the changes in political climate, much of what the interviewees discussed remains relevant today. Certain political fundamentals almost certainly remain—for example, that an institution as important to the nation as Social Security requires bipartisan agreement to make significant changes—as was emphasized by several experts interviewed. Moreover, the attitudes of policymakers and policy influencers towards benefit changes that would address the needs of women and other vulnerable Americans remain of interest. It is also of interest to assess the interviewees’ predictions in light of the passage of time.
I. Dealing with Solvency Sooner or Later

The 2013 report of the Social Security Board of Trustees projects that the Social Security Trust Fund will be exhausted in 2033, and that after that point, tax revenue will be sufficient to pay out three-quarters of scheduled benefits through the year 2087, the end of the 75-year projection period used by the Trustees (Board of Trustees 2013). In 2010, the program’s expenditures were greater than its non-interest income for the first time since 1983 (Social Security Administration 2012). The system’s combined trust fund (Old Age and Survivors Insurance plus Disability Insurance) is expected to begin to be spent down in 2021 (Board of Trustees 2013). These projections, as well as recent alarm raised by the some media and commentators about the imminent spending-down date, have intensified questions about the system’s long-term solvency. In 1981, similar, though more urgent, concern arose when the Board of Trustees projected that the Trust Fund would be exhausted in two years. This led to the prompt appointment of a bipartisan National Commission on Social Security Reform, informally referenced as the ‘Greenspan Commission,’ which recommended a series of provisions including the taxation of Social Security benefits for higher-income beneficiaries, a change in the cost-of-living adjustment (COLA) formula, and a more rapid implementation of increases in the payroll tax rate that had been previously legislated for future years. These recommendations ultimately provided the basis for the 1983 amendments to Social Security.2

The majority of those interviewed is of the opinion that dealing with the solvency issue sooner rather than later is a good idea, not because of an immediate crisis, but primarily for the usual reason given: addressing solvency sooner means that the changes needed are more manageable—the size of the changes would be smaller and more gradual. This position represents a bipartisan consensus. One former policymaker also pointed out that the sooner people know about future changes, the earlier they can respond, changing behavior if necessary. For example, if a retirement age increase is legislated for 50-60 years ahead, people can adjust their expectations for benefit receipt at the start of their career and adjust financial planning accordingly. Several experts, though, highlighted a newer motivation: they emphasized the importance of establishing long-term solvency in the context of the severe U.S. recession. One former administration official commented that workers, who have lost so many other assets—in home equity, savings, and pensions—should be reassured that Social Security will be there for them. Similarly, because the Great Recession increased people’s financial needs, several interviewees suggested that solvency should be coupled with reforms to the system that address the adequacy of benefits. For example, some expect that poverty of the elderly may increase in the future and that current benefit formulas will not work as well to keep recipients out of poverty, adding to the motivation to make change. In other words, the difficult economic situation could be expected to transform the context of the debate on making changes to Social Security and resolving the long-term funding gap.

2 The 1983 amendments also included an increase in the retirement age to 67 to be implemented between 2000 and 2022, but this increase had not been included in the Greenspan Commission report (National Commission on Social Security Reform 1983).
No matter how desirable dealing with solvency sooner is perceived to be, however, that perception does not translate into a conviction that it would be or should be dealt with in the near term. Nearly ten experts both in and out of government cautioned that, in the current context, the national debt has emerged as the main motivator to discuss Social Security and that this is not a good context for discussing the system’s long-term solvency. For example, several staffers on Capitol Hill on the Democratic side would prefer that Social Security reform be delayed by at least five years, when, perhaps, it could be discussed in the context of retirement more broadly. As Baby Boomers age, they suggest, needs for adequacy will become even more apparent, along with the need for long-term solvency, making it more likely that benefit increases could be considered along with the funding gap at that time.

One former policymaker, a Democrat, espoused a stronger goal for solvency—a very long-run solvency (beyond the 75-year horizon projected in the annual Trustees report), which would require a much larger trust fund and more revenues (or benefit cuts). In contrast, a half dozen other policymakers of both parties said that making the goal easier, by achieving solvency for 50 to 60 years rather than the 75 required by statute, for example, would be more than sufficient. The staffer of one Democratic member said s/he could imagine Social Security being addressed in the 2020s if nothing is done in the next few years. One Democratic member thought it unlikely that there would be any willingness to deal with solvency before it is urgent (i.e., in 2033). More than one Democratic policymaker noted that the Republicans would not agree to tax increases and might prefer to have Social Security around as a politically divisive policy point rather than solve it and have this wedge issue go away for a generation.

---

3 The 1983 amendments enacted upon recommendation from the National Commission on Social Security Reform achieved 50 years of solvency (through 2033).
II. Proposals to Improve Social Security for Women and Other Vulnerable Groups

**Improving Benefit Adequacy**

Opinions on the urgency of dealing with Social Security solvency vary substantially. Benefit adequacy was, however, deemed an important policy priority by virtually all interviewed. To address benefit adequacy, experts proposed many different ideas for the expansion or improvement of the system. Several commented that, politically, agreeing on new benefit enhancements would be much easier than agreeing on either benefit cuts or revenue increases to pay for these enhancements. Policymakers—both Republicans and Democrats—are generally open to improving the adequacy of benefits at the low end of the income scale, needed more than ever to protect people from the effects of the recent downturn. One interviewee pointed out that increased benefits for low earners might help offset future increases in Medicare premiums paid by beneficiaries. Increasing minimum benefits would help women and minority retirees disproportionately, since they tend to have lower lifetime earnings than men or whites. There was widespread support for an increase in the minimum benefit.

Republicans explicitly stated that they would like to make the system more progressive, and that they see reducing benefits (or the growth of benefits) at the top of the income distribution as a key aspect of that effort—in other words, making Social Security a bit more like welfare. The Social Security system is already progressive in that the income replacement rate for beneficiaries is higher for those with lower earnings than for those with higher earnings and that a portion of benefits is taxed for higher income recipients. One former Democratic policymaker expressed concern about cutting benefits for high earners on the grounds that making the system more like welfare would politically jeopardize its survival in the future. This former policymaker also stressed the importance of prioritizing the protection of the current system over expanding or changing it any way. These concerns were shared by several other Democratic policymakers.

Among the suggested changes were a few proposals that would improve benefits for the oldest old. Many researchers and policymakers supported the idea of a bump-up in benefits, ‘super-annuation’ of benefits, or ‘longevity payments’ for those beneficiaries who live beyond a certain age; this proposal had some bipartisan support. A second proposal to improve adequacy for the elderly with bipartisan support is the idea of employing a new consumer price index (CPI-E) as an improved cost-of-living adjustment (COLA) that would better estimate changes in costs of consumer goods across the life cycle, specifically as one enters retirement and old age.

Just as an improved COLA based on a new CPI-E would affect the way in which benefits are calculated, some interviewees suggested modifying the earnings base used to determine benefit amounts. A think tank expert suggested a two-part reform that would base benefits on total lifetime earnings (rather than on average income earned over a worker’s 35 years of highest earnings, as in
the current system) and institute a more progressive benefit formula that would decrease marginal benefits for additional work among higher-income earners. A second idea, suggested by a Republican policymaker, was to lower or even eliminate the number of work quarters required for one to be eligible for Social Security benefits so that those with shorter work histories (less than ten years) would not be penalized or end up having to rely on spousal benefits or Supplement Security Income (SSI) in retirement and instead would receive benefits earned through their own work.

These types of improvements—longevity payments, improved COLAs, and changing the ways work years are counted—would generally be of greater benefit to women than men, as women have longer life expectancy and are also more likely to have interrupted their paid employment so that having a short work history currently affects their benefits negatively. Also, women with some missing earnings years could benefit from having additional years beyond 35 to make up for those gaps. These changes would also help other low-wage workers, who have both missing earning years and long-term low earnings, as well as immigrants with fewer than 35 years in the United States.

**Modernizing Social Security to Account for Changes in Women’s Lives and Family Structures**

Most experts and policymakers, on both ends of the political spectrum, are open to modernizing the system to account for changes in women’s lives. About a half dozen of the interviewees who offered their opinions on this issue brought up the spousal benefit and spoke against it as currently configured. One former member of Congress labeled the way second earners are treated as a ‘real killer’ for women in that wives with low earnings relative to those of their husbands, in essence, receive no benefit from their own work. One former member spoke of the need to increase the survivor benefit to help women, and one policy expert suggested reconfiguring the spousal/survivor benefit away from wives and towards widows (i.e., decreasing the spousal benefit and increasing the survivor benefit) because it is women living alone in old age who are most financially vulnerable. Several experts suggested dropping or modifying spousal benefits (perhaps with a very slow phase-out beginning with younger women) and replacing them with something else that would not specifically be linked to women’s role in families, such as higher minimum benefits or a bump-up in benefits at age 78, 80, or 85 (all of which were mentioned). As a more general observation, one advocate noted that to do more for single women, especially single mothers, advocates would need to speak with one clear voice because policymakers would see a proposal with the goal of helping those subgroups as a minefield of gender/race interactions. A small bi-partisan group of

---

4 If a woman has low enough relative earnings when compared to the earnings of her husband, she earns a higher Social Security benefit by claiming a spousal benefit based on her husband’s earnings record (generally 50 percent of his benefit) than if she were to claim benefits based on her own earnings record. The Social Security Administration refers to these wives as dually entitled and views them as taking their worker benefits and having them ‘topped up’ to equal their spousal benefits. In practice, these wives’ benefits are no higher than if they had not worked for pay at all (English and Hartmann 2009).
experts interviewed said they believe the system currently discriminates against single-mothers, since many will likely never receive spousal benefits.

Several women in Congress (members and staffers) as well as another member’s staffer said that achieving pay equity would be a wonderful way to bolster Social Security’s finances—it would increase payroll tax receipts and reduce use of the spousal benefit making the spousal benefit less costly (because there would be fewer low-earning wives).

One Republican Congressional staff member reported having studied a report from the National Academy of Social Insurance (NASI) on the adequacy of benefits and the impact on women of current and proposed benefit structures and believes that modernization of benefits is in order, particularly better treatment for working wives. This staff member shared the common Republican view that it would be good to slow the growth of benefits at the top without doing harm to those at the low end of the income range.

Nine of those interviewed said they had not given much thought to reforms that would help women. Of the 21 who had given more thought to changes in women’s lives and their retirement needs, a bipartisan majority expressed support for a proposal like caregiving credits, which would not require a marriage for women (or men) to be eligible to receive the benefit, which would allow adults taking care of children or elders, for example, to have ‘fictive earnings’ added to their records so that those years are not considered zero-earnings years in benefit calculations. This type of provision is a policy practice that is already implemented in 26 of the 30 member countries of the Organization for Economic Co-operation and Development (Fultz 2011 and Jankowski 2011). One advocate spoke favorably of caregiving credits and was critical of the current linkage of retirement benefits to marriage as opposed to actual provision of care. One former SSA official commented that s/he was not opposed to the idea of caregiving credits because of their potential role in alleviating the financial hardship of low-income single mothers. Several of those interviewed (also a bipartisan group) mentioned earnings-sharing—a proposed alternative method of calculating benefits that would combine and average total earnings for dual-earner couples across the duration of their marriage—as another approach that merited consideration, especially as a way to deal with divorce.

There was less support for the idea of using the Social Security system as a way to provide paid parental leave. One advocate for seniors mentioned not having seen any cost estimates for the use of Social Security to provide paid family leave, but considered it an intriguing idea, both because of the real need for paid family leave and because of its obvious appeal to young adults. About half a dozen (a bipartisan group) were not as enthusiastic or were outwardly opposed the provision of paid parental leave through Social Security; they objected to it mainly because they felt it would detract from the core purpose of the system (old-age or retirement insurance) or because a few states had already found ways to provide paid parental leave through additions to their Temporary Disability

---

5 The NASI report referred to was likely Reno and Lavery 2009.
Insurance systems, which might be difficult to merge with a national system; several interviewees objected to the concept of having beneficiaries ‘pay back’ the system for their parental leave by retiring later, an aspect of one proposal to use Social Security to provide paid parental leave (one early proposal circulated by the Center for American Progress suggested such a payback, but that aspect of the proposal was subsequently dropped).

In December 2013, the Family and Medical Leave Insurance Act (or FAMILY Act) was introduced in the U.S. Congress by Senator Kirsten Gillibrand of New York and Congresswoman Rosa DeLauro of Connecticut to develop a social insurance system to provide wage replacement during extended family and medical leaves. It proposes to create a new system outside Social Security, financed by its own, much smaller payroll tax and trust fund, but administered by the Social Security Administration. While a large coalition is supporting this effort, some advocates for seniors and workers have been reluctant to get on board out of concern that the strength of the Social Security system not be compromised. (An alternative such as this was not discussed with those interviewed as part of the study reported here).

**Including College Students**

Support for restoring the pre-1983 benefits to children in college if they had a working parent who died or became disabled is mixed. Some of the respondents support this option, commonly referred to as the ‘student benefit,’ others not. Those in favor of the college student benefit say it is a good investment for the economy in the long term. One think tank researcher noted that restoration of this benefit would also help mitigate disparities in college matriculation and completion across the socioeconomic spectrum. Two respondents with extensive Hill experience offered their opinion that the student benefit would be popular enough that it might move legislatively before other benefits would. Several Democratic staffers stated it should be expanded to include benefits for job training or education at any point in adulthood. Those opposed stated that it is not very well-targeted and that existing federal supports for financing post-secondary education in the form of Pell grants do a better job now of targeting aid to the financially needy. Several sources confirm, however, that financial aid has become less adequate as higher education costs increase, and that the purchasing power of Pell grants in particular has declined. A 2013 report from the Congressional Budget Office finds that, from 1979 through 1996, the maximum Pell grant lost two-thirds of its purchasing power, falling from 244 percent to 82 percent of average in-state tuition and fees at public four-year colleges. Lawmakers have more than doubled the maximum Pell grant from $2,340 to $5,550 since 1996, but the purchasing power of Pell grants has continued to decline (Congressional Budget Office 2013).

Since the interviews were conducted, restoring the student benefit has been included in a number of proposals to expand Social Security: the Commission to Modernize Social Security’s *Plan for a New Future: The Impact of Social Security Reform on People of Color* (Rockeymoore and Lui 2011); the National Committee to Preserve Social Security & Medicare Foundation, the NOW Foundation, and the Institute for Women’s Policy Research’s report on *Breaking the Social Security Glass Ceiling: A Proposal to Modernize Women’s Benefits* (Estes, O’Neill, and Hartmann 2012); the National Council of Women’s Organizations and Center for Community Change’s joint
Expanding Social Security Benefits for Financially Vulnerable Populations (2013); and Congresswoman Gwen Moore’s proposed Social Security Enhancement and Protection Act, all of which highlight the potential of Social Security survivor benefits to help low-income college students stay in school.

**Enhancing Revenues**

Because the debate surrounding Social Security has focused primarily on the system’s long-term financial sustainability in the context of discussion about federal debt, virtually all who commented on benefit improvements stated that proposals for benefit or adequacy improvements will be required to be paired with ‘pay-fors’ to offset the cost of implementing such changes and to make them more politically viable. Although benefit cuts have been suggested by some, Democrats are less willing to pay for benefit improvements at the low end by instituting benefit cuts at the high end of the income distribution; they would prefer to see increased revenues coming into Social Security. Modifications to the existing payroll tax were suggested by many of the interviewees as ways to increase revenues for Social Security. Several members of Congress, Congressional staffers, and former SSA officials—including one Republican—suggested that lifting the earnings cap for the payroll tax would be one way to substantially increase revenue for the Social Security system. Many of those who suggested this revenue enhancement also commented that it might be the ‘easiest’ or simplest way to address the issue of the system’s long-term funding gap. Additional proposals for revenue enhancement through the payroll tax were the expansion of the tax to apply to non-wage earnings and benefits (such as tax-free spending accounts and generous health insurance plans) among the highest earners, and the closing of tax loopholes for high earners and corporations. One former SSA official also mentioned the option of raising the overall payroll tax rate beyond its long-standing rate of 6.2 percent each for employees and employers.

Several experts commented for or against using forms of general revenue to meet Social Security’s costs. Potential new sources of revenue that were mentioned included the estate tax and a financial transactions tax, as well as an increase in the income taxes levied on Social Security benefits received (which is seen as less problematic as an earmarked source of Social Security funding but also seen as less likely). Most experts believe that Social Security having its own dedicated revenue stream protects it from attacks in the long run. For example (except for the recovery years when the payroll tax was reduced), it can be argued that Social Security does not contribute to the deficit.

---

6 These same reports also contain many specific recommendations, including improving the minimum benefit and adding caregiving credits, for example, that would improve the adequacy of benefits for low-income people and modernize benefits to meet the needs of women and families.

7 See Hertel-Fernandez 2010 for further discussion of the potential role of the student benefit in helping improve college enrollment and completion rates among minority and low-income students.

8 The Social Security payroll tax paid by both employees and employers in 2014 is applicable only to earnings up to $117,000. It is estimated that removing the cap would provide adequate revenue to eliminate a large portion of the program’s current estimated funding gap (Estes, O’Neill, and Hartmann 2012).

9 The interviews were conducted before the passage of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, which took effect in 2011; at the time of the interview, the payroll tax rate was 6.2 percent. The Act temporarily brought the rate down to 4.2 percent. This tax reduction was extended through the 2012 calendar year but expired in January 2013 when the tax reverted to 6.2 percent. An online survey by the Center for Economic and Policy Research found that 29 percent of respondents were unable to recognize this increase in taxes when the payroll tax holiday ended (Baker 2013).

10 The reduced revenues to the Trust Fund from the payroll tax were made up by transfers from general federal revenues (Board of Trustees 2013).
whereas if the system were using general revenue streams, then changes in benefits or increased expenditures to pay out benefits for an aging population could contribute to a budget deficit. Additionally, using general revenue streams might tend to lend support to the idea that the tax system should not be used to provide benefits to people who do not need them (high-end Social Security beneficiaries); with a dedicated stream from payroll taxes, it can be argued that those who paid into the system should remain entitled to benefits. Several mentioned the possibility of investing a portion of the Trust Fund (collectively) in equities or corporate bonds as a way to get higher levels of income for the Trust Fund.

**Tradeoffs: Cutting Some Benefits to Increase Others?**

Although virtually all of those interviewed expressed the importance of considering adequacy enhancements in any conversation about the future of Social Security, many also acknowledged that benefit cuts would need to be part of the discussion due both to the political climate and the need to address the system’s long-term funding gap (which is expected to emerge in 2033). A bipartisan group of Capitol Hill staffers (and several experts outside of government) attributed the lack of resources with which to fund benefit enhancements and the difficulty of finding revenue enhancers to pay for them to the staunch opposition to tax increases by many conservative lawmakers. One Congressional leader stated that there has been very little thinking among the Democratic leadership on benefit increases. One of the most progressive members of Congress stated that benefit cuts were most likely going to have to be part of any policy decision that addressed the long-term funding gap. Several advocates, former policymakers, and Congressional staffers mentioned that the best mix of revenue enhancers and benefit cuts that could possibly occur would be a mix of two-thirds of the projected 75-year gap being met by new revenue and one-third by benefit cuts. A staffer on the Republican side commented that the two-thirds revenue increase and one-third benefit cuts combination came directly from the Obama White House as their preferred plan. One former SSA official hoped to see payroll tax increases coupled with very small benefit cuts in far out years to achieve long-term solvency.

Current and former members of Congress were more likely than staffers to suggest that cuts in benefits in some areas could and would be traded for increases in others—provided that the projected long-term funding gap is closed as part of any such negotiation. That is, once full funding is assured, they expect that there will be room for some benefit increases. Some Democratic staff members believe that discussing benefit enhancements is a good strategy to protect Social Security from cuts. In contrast, some influential current and past congressional leaders (all Democrats)

---

1 Several respondents noted that the concept of the ‘legacy’ costs of Social Security (the first generation of recipients paid very little for generous benefits) is a theoretically-appealing rationale for the use of general revenues to fund some share of Social Security costs, but in practice, they fear that the use of general revenues in any form could undercut Social Security. See Diamond and Orszag 2005 for a discussion of the legacy generation.
expressed the opinion that a discussion of benefit increases is a distraction from the real work of protecting the system and/or of achieving long-run solvency. In other words, they hold that preservation of the existing system should be the primary topic of conversation and the primary goal of any reforms to Social Security. Virtually everyone interviewed agreed that there is not likely to be any consideration of benefit increases unless there is also a solution to the long-term funding gap.

In ‘exchange’ for higher benefits, experts anticipate: reduction in the cost-of-living-adjustment (or COLA) using the chained CPI (something that could possibly be implemented government-wide to help reduce overall government expenditures), changes in the bend points to reduce benefits at the top of the earnings range, indexing the normal retirement age to average longevity in the future, or encouraging or requiring later retirement (by raising the early or full retirement ages, for example). Several policymakers and thought leaders expressed their opinion that the current benefit structure encourages workers to retire at age 62, when the benefits look sufficient, only to find that they do not have enough money at ages 75 and above. They argue the system’s incentives should change to encourage longer working lives. Encouraging later retirement had bipartisan appeal.

Several respondents (on both sides of the aisle) pointed out that an increase in the retirement age is not likely to be mandated simply because it is very unpopular and also because older people can see that there are simply not enough employers willing and able to provide jobs to older workers. In contrast, one Democrat opined that accelerating the increase of the retirement age to 67 would not draw as much opposition as other ways of cutting benefits. One Republican mentioned the possibility of reducing payroll taxes at older ages in order to encourage work among those in their early 60s and discourage early retirement.

12 In discussing the possibility of increasing the early or full retirement age, specifically mentioned were the option of phasing in the increase of the retirement age to 67 more quickly than is currently scheduled, or more strongly encouraging work until age 65 when Medicare eligibility begins.
III. Additional Issues in Social Security and Retirement

Strengthening the Private Retirement System

While discussing the future of Social Security, several interviewees also raised the importance of addressing the overall adequacy of the U.S. retirement system, particularly on the issues of strengthening private defined-benefit pensions, making sure that they are solvent, and regulating them, along with other investment vehicles, such as Individual Retirement Accounts (IRAs) and defined contribution pension plans, such as 401(k)s. Several expressed concern that, because of the Great Recession, unemployed workers have spent down the assets that they were able to access in order to finance their living expenses. This has reduced their resources for retirement, making retirement planning and asset-building outside of the Social Security system all the more important.

A number of experts brought up the need to regulate private retirement savings products and the fees charged in an effort to ensure adequate income in retirement. Nearly ten interviewees volunteered that a reliable, cost-effective form of longevity insurance should be available; mentioning that this is particularly important for women, who live longer than men on average.

One advocate spoke in terms of the near-total failure of the private retirement system: with recent instability of 401(k)-based pension investments and premature draw-downs, people are relying even more on Social Security. Moreover, half of the workforce contributes nothing to 401(k)s and most of these non-contributors have no other pension. If 401(k)s are not providing retirement security, it follows that a second tier to supplement Social Security is needed.

Several respondents, both Democrats and Republicans, suggested that a mandatory savings program in a restricted set of investments, requiring annuitized payouts, would be a good supplement for Social Security benefits. Although the ‘opt-out’ approach is effective when used by employers (workers tend to save in their 401(k)s because they do not take the step of opting out), a more dramatic shift would be needed to ensure that individuals save—hence, the ‘mandatory’ aspect of the type of proposed savings program mentioned. Proposals to establish private retirement savings accounts were contentious in the 1990s mostly because of the intent to replace existing Social Security benefits instead of having private accounts serve as a supplement. In these interviews, most respondents did not see mandatory savings plans as a threat to the popular social insurance system. In fact, many experts, both Democrats and Republicans, expressed a desire to see improved incentives to save outside of the Social Security system. In other words, carving private accounts out of Social Security is seen as undesirable by many, but private accounts in addition to Social Security are generally not viewed as threatening. Several suggested they should be separate from the Social Security system.

Because of the Great Recession, unemployed workers have spent down the assets that they were able to access in order to finance their living expenses.

Many experts, both Democrats and Republicans, expressed a desire to see improved incentives to save outside of the Social Security system.
system. One member of Congress did not expect that agreement could be obtained on mandatory accounts, while one senior official thought legislation about additional savings vehicles within Social Security could serve as a lead-in to a Congressional discussion about benefit modifications and ways to close Social Security’s projected long-term funding gap.

**Helping Workers Understand Social Security**

In addition to improvement of the private retirement system, several experts advocated simplification of the Social Security system as an important step towards helping workers plan more effectively for retirement. Again, support for this approach came from those affiliated with both parties. Some suggested that the language of ‘early’ and ‘normal’ retirement ages be abandoned, instead providing workers with a personalized table that would show the impact of the worker’s retirement year on her or his monthly and lifetime benefits. A former official from the Social Security Administration mentioned that the agency has already made a personalized benefit estimator available online.\(^{13}\) One expert recommended that a personalized life expectancy calculator be added as well, to assist in individual financial planning.

**Strengthening the Disability System**

Several policymakers and Congressional staffers (on both sides of the aisle) also raised concerns about the Social Security Disability Insurance (SSDI) system, particularly about the need to speed up the processing of SSDI claims and make the process more efficient in general. The economic downturn had led state governments to implement staff furloughs, slowing down SSDI determinations in the states, even though the volume of claims increased during the recession.\(^ {14}\) An additional concern is that the likelihood of returning to work among the disabled is currently very low. Several respondents expressed interest in seeing more federal financial support for improving the disability system and for processing claims (moving the SSDI determinations process to the federal level, for example) and creating a stronger linkage between the SSDI system and employment.

Several interviewees raised the issue of the lack of disability benefits for many homemakers (whose work history may be too far back or too small to enable them to qualify for disability benefits). Their comments suggest that there would be strong, bipartisan support for expanding disability eligibility to homemakers and fixing this gap in coverage. Their lack of eligibility leaves homemakers particularly at risk with respect to their economic security should they become disabled. The institution of caregiving credits would also address this gap, as it would provide unpaid caregivers with current earnings credits.\(^ {15}\)

---

\(^ {13}\) The SSA retirement estimator is accessible at <http://www.ssa.gov/estimator/>

\(^ {14}\) SSDI claims rose to an all-time high of 2.94 million in 2010; see Johnson 2012.

\(^ {15}\) See page 9 for earlier discussion of caregiving credits and Social Security.
Another issue that people would like to address in Social Security legislation is an update of Supplemental Security Income (SSI) to make it more generous. Those eligible for SSI include people with low income, who are aged 65 and older or have a physical or mental condition that keeps them from working (if over the age of 18) for at least 12 months or will result in death. SSI benefits are recognized as inadequate and the asset limits are generally seen as too low, so that too many of those who need some assistance are excluded; in fact, current asset limits for SSI require spending down nearly all existing assets to be eligible for assistance. As of 2014, for example, an individual cannot have more than $2,000 in what the SSA calls ‘countable resources,’ which can include cash, savings accounts, vehicles, and any other financial or physical possession that might be exchangeable for cash for essential needs such as housing or food (Social Security Administration 2014).
IV. Reimagining the Fundamental Purposes of the Social Security System

Think tank experts, including former policymakers, hoped that the few years following the interviews would be a time during which the purpose of Social Security could be reexamined and that the system could be renovated to introduce some fundamental changes. While those interviewed expressed a wide range of ideas and opinions of the main functions of the system should be, there was an overall consensus among these interviewees that changes to Social Security should provide a solid base for retirement (i.e., eliminate poverty among elders), account for changes in women’s roles and family patterns, streamline the system so it is easier to understand, and simplify the goals and purpose of the system (in other words, possibly reduce benefits for those at the top of the income scale, or in any case not seek to provide a generous retirement income for the comfortable, as they presumably have other means of achieving that). The visions of an ideal Social Security system range from emphasizing its insurance aspects (while limiting its other purposes, such as a secure retirement—at least one respondent indicated that insurance is not needed for retirement, see below) to prioritizing the provision of adequate universal retirement income (while strengthening all of its other components). Some of the additional types of insurance in Social Security that experts named as important include insurance against:

- low lifetime earnings,
- above-average longevity,
- poor marriages and time spent caregiving (especially important for women, who still earn less than men, and therefore rely on marriage as an additional source of income and income stability), and
- income variability across the generations.

These experts are open to amendments to the Social Security system that would provide these types of insurance more effectively.

Experts on the conservative end of the range of opinion (but including one Democrat) would generally like to reduce benefits. One former Administration official envisions reforms that would reduce benefits and retain only the insurance aspects of the system: the disability and survivor benefits. This expert sees the system’s retirement benefits as just retirement savings and believes that the insurance provided by Social Security could be made available for far less money, while retirement savings could be handled in other ways outside of the current system. The decades-old goal of privatizing retirement savings is still alive on the right.

Among those generally on the progressive end of the ideological spectrum (but including one Republican), several interviewees mentioned that Social Security benefits should be increased across the board, given that so many people have lost assets in housing equity, savings, 401(k)s, and IRAs as a result of the recent recession. The intensity and widespread nature of this loss of wealth is evident in recently-published estimates of family finances; the Federal Reserve estimates that family median net worth fell by 39 percent between 2007 and 2010 (Bricker, Kennickell, and
Several interviewees on the progressive end of the ideological spectrum (but including one Republican), mentioned that Social Security benefits should be increased across the board, given that so many people have lost assets as a result of the recent recession.

Several of these experts, on the right and left, would also like to see the system expanded in another way: strengthening the system’s anti-poverty effects. They propose a new war on poverty that would put some of those in need back under the social insurance umbrella of Social Security, while also paying attention to the issue of moral hazard by making sure that the system’s incentive structure does not encourage capable working-age adults not to work or to avoid employment indefinitely. The shift of welfare programs from Social Security to the former Department of Health, Education, and Welfare in 1979 (and its replacement, the Department of Health and Human Services), as well as the outdated eligibility rules and inadequacy of the existing SSI system have left too many in poverty. Programs, such as Aid to Families with Dependent Children (AFDC) and Temporary Assistance for Needy Families (TANF), that were once part of Social Security have failed, and the availability of SSI has been used more recently as an argument against the development of any new, potentially more effective ways of addressing poverty.

The experience of the Great Recession has shown that retirement income and security need to be increased for many, not just those at the bottom of the income distribution. Experts on the progressive end believe that a stronger, reintegrated Social Security system that includes unemployment insurance, paid parental leave, caregiving credits, an improved disability system, and increased assistance for those who cannot work for whatever reason, would strengthen our economy and increase productivity: by offering more security, such a system would ultimately allow greater risk-taking, central to a vibrant market economy.
V. Did Experts Believe Congress Would Tackle Social Security Reform in the Five Years following the Interviews?

Opinion as to whether Social Security reform would be tackled by Congress in the few years following the interviews was decidedly mixed. Certainly, before the President’s Commission was formed in February 2010, no one was predicting action before 2011. Most interviewees suggested that no time is a good political time to address Social Security reform, and many said that the current political environment was particularly bad. Still, nine experts interviewed thought that Social Security would be addressed successfully by Congress within five years (by the end of 2014); of this group only three had ever served or worked in Congress (including one Republican). A slightly smaller number (eight) either expressed no opinion as to when it would be dealt with or found it hard to decide, thinking it could happen or not; this group included two with political experience, one former member and one current staffer—one a Republican and one a Democrat. The largest group of 13 argued decidedly not—that Congress was very unlikely to debate Social Security successfully by 2014. This group includes 11 former or current members and staffers. These experts pointed out that changing the system will entail great difficulty with few positive outcomes and several suggested that the most likely approach would be waiting until 2033, the expected date of the exhaustion of the Trust Fund, when reform would likely be truly necessary to restore the system to solvency. From the vantage point of 2014, it appears that those with experience in Congress are the best predictors of what Congress is likely to do.

About a half dozen interviewees from all three groups thought that Social Security reform could happen with the President’s strong leadership, especially if he were to set up a commission to consider it; they also noted that any action would have to be bipartisan for any progress to be made. Indeed, for those who believed change in the next few years to be likely, most believed that only strong leadership from the President could make it happen, and that he would likely employ a commission mechanism to provide that leadership. When questioned about their opinions on the likelihood or potential efficacy of a fast-track commission to address Social Security reform, most of those interviewed on Capitol Hill believed it to be a bad idea; they argued that any major changes to such a fundamental federal institution would require value judgments that would be better left to elected officials after receiving feedback from the American people. One advocate thought that if a presidential commission could make the nation address Social Security reform and the outcomes turned out to be positive, then such a debt commission would have been a positive force. However, as one respondent put it, “if the train leaves the station, there may be no stopping it,” suggesting that opening up the system for revision could lead to undesirable cuts to the system. Several experts (a bipartisan group) also pointed out that a commission on retirement would be a better vehicle for the development of Social Security legislation than a commission on debt and fiscal responsibility. A proposal for the formation of the Bipartisan Task Force for Responsible Fiscal Action, often referred to as the Conrad-Gregg Commission, for co-sponsors Senator Kent Conrad (D-NC) and

From the vantage point of 2014, it appears that those with experience in Congress are the best predictors of what Congress is likely to do.
Judd Gregg (R-NH), was introduced in December 2009. As a whole, they did not expect the Conrad-Gregg commission proposal to pass.\(^\text{16}\)

Multiple policymakers and government officials raised another issue in discussing the likelihood of changes to Social Security: ‘political capital’ and timing. With the debate over health care and the then-pending passage of the Affordable Care Act, experts questioned whether the Administration would have the energy, support, and political momentum needed to make any substantial policy changes to Social Security, or any other major system, for that matter. Several others pointed out that Social Security is a likely target for benefit cuts, because Medicare cuts were included in health care reform. The formation and disbandment of the President’s Commission without 14 of its members coalescing around a deficit reduction plan would likely not have surprised the vast majority of these respondents. Absent a consensus, the two co-chairs, Erskine Bowles (former Chief of Staff to President Bill Clinton) and Alan Simpson (former Republican Senator of Wyoming), issued their own report. They have since campaigned to have their report serve as a basis for resolving the country’s fiscal woes, and it is often mistaken for the report of the Commission.

One Republican staffer thought solvency would likely be tackled in the next three to five years (i.e., after the 2012 election), though s/he saw the main challenge to action to be the lack of willingness of the party leaders of both Congressional chambers to address Social Security’s projected long-term funding gap any earlier than needed. The same staffer would hope for a more positive climate for discussion and not one dominated by deficit concerns, which s/he felt was a very unfortunate driver of changes to Social Security.

Several commented that it would take a crisis (as in 1983, which the Trustees project to occur in 2033) to motivate change. Most also see the President’s ambitious agenda as competing with priority status for Social Security, pointing to jobs, immigration, and energy as all competing for attention. One think tank researcher with policy experience stated that, politically, Social Security could not be addressed until several months after a minimum drop of two percentage points in the national unemployment rate. Until then, the priority would have to be on jobs. One interviewee, a former Democratic policymaker, commented that the Congressional leadership in the House and Senate on the relevant committees was simply too weak to exert leadership on such a tough issue. An influential congressional leader and a former SSA official noted that in order to create momentum for positive change, a combination of ‘insider’ and ‘outsider’ action would be needed, similar to what has occurred in the past. These experts say that in addition to legislative leadership, pressure from advocates, researchers, and the public will be needed to push government leaders to action on issues related to improving the adequacy of Social Security benefits.

\(\text{Several policymakers and think tank researchers suggested that it would be best to look to public opinion when determining the way in which to approach Social Security modifications.}\)

\(^{16}\) The commission proposal did not pass (failed by a vote of 53-46; National Conference of State Legislatures 2010). Instead the President proposed the bipartisan National Commission on Fiscal Responsibility and Reform (The Bowles-Simpson Commission), which one interviewee predicted would happen and several suggested would happen.
As noted above, several experts, who could be labeled ‘idealists,’ expressed great enthusiasm for a major redesign of the system, but most of this group thought such a reexamination would be unlikely within a five-year time frame.

Several policymakers and think tank researchers suggested that it would be best to look to public opinion when determining the way in which to approach Social Security modifications. One Democratic member of Congress mentioned that outside of the Beltway, retirement security is prioritized above fears surrounding the federal deficit and the national debt. Yet another expert, a think tank researcher, would like to see Social Security addressed in the same way that the American people regard it (according to survey research results): as an important institution that they want to preserve and that they “cannot afford not to have.” Findings from the IWPR/Rockefeller Survey of Economic Security report that the majority (65 percent) of Americans do not think that the growth in Social Security spending should be cut as a way to address the federal deficit, confirming the perceptions of many of the experts interviewed for this report (Institute for Women’s Policy Research 2011). The same survey found that just under half of respondents (48 percent) believe that the country does not spend enough on Social Security.17 These findings are in keeping with several other surveys that find benefit cuts are very unpopular among the vast majority of Americans. Another survey from the National Academy of Social Insurance asked respondents to choose a preferred package of changes, a tradeoff analysis meant to mimic how policymakers would develop a plan, taking into account long-term solvency of the system and adequacy of benefits. The survey found seven in ten respondents preferred a plan that had no benefit cuts, but had benefit improvements combined with revenue increases (Tucker, Reno, and Bethell 2013).

---

17 IWPR analysis of the 2010 IWPR/Rockefeller Survey of Economic Security; see Hess, Hayes, and Hartmann 2011.

Everyone who has served at the SSA and several other experts noted that policy change regarding Social Security now comes out of the White House, assisted and advised by the Department of Treasury. This was true under Presidents Bill Clinton, George W. Bush, and now Barack Obama. Social Security is no longer viewed as having an independent policy voice. One argued that the selection of the SSA Commissioner is now irrelevant, as SSA now operates almost exclusively as a service delivery agency. In fact, the six-year fixed term for the SSA Commissioner makes the White House even more powerful in setting Social Security policy. Since SSA is no longer policy-oriented and no longer linked directly to its former department, Health and Human Services (then the Department of Health, Education, and Welfare, or HEW), there is no longer a voice for the poor when changes to Social Security are debated within the Administration. As noted above, with the temporary reduction in the payroll tax in 2011 and 2012, Social Security has instead become a tool of macroeconomic policy, as more than one expert among the interviewees feared would occur when the 1983 changes were put in place. The charter and amendments that first established the Social Security system and the Old-Age and Survivors Insurance Trust Fund created Trustees, and the Secretaries of Labor, HHS, and Treasury, as well as the SSA Commissioner, are among them (along with two public Trustees appointed by the President and confirmed by the Congress) and could presumably exercise some policy guidance in that process; however, that channel for influence was not seen as significant by those commenting on this issue.

Social Security is no longer viewed as having an independent policy voice. There is no longer a voice for the poor when changes to Social Security are debated within the Administration.

---

18 The initial Board of Trustees oversaw Old-Age and Survivors Insurance and was also given responsibility for the Social Security Disability Insurance Trust Fund in 1956 when disability insurance became part of the Social Security system. The current composition of the Board was designed based on the recommendations of the Greenspan Commission in the 1983 Social Security Amendments (Social Security Administration Undated).
VII. Conclusion

Policymakers in Congress, researchers in think tanks, high-level leaders in the Social Security Administration, and advocates expressed a range of ideas regarding the goals of the Social Security system and the best ways to structure changes to achieve those goals. The long-term growth in women’s labor force participation, alterations in family structure, and the negative effects of the recent recession on workers’ wealth and economic security seem to have increased motivation to improve the effectiveness and fairness of the system. Simultaneously, although Social Security does not contribute to the deficit,19 the Board of Trustees’ projection that the system’s Trust Fund will be exhausted in 2033, the rapid aging of the population as the Baby Boomers reach retirement, and heightened awareness of the country’s fiscal health in the wake of the Great Recession have contributed to the creation of a political climate that is unfriendly to expenditures without a ‘pay-for.’ Thus, the experts agree that any benefit increases would have to be accompanied by revenue increases or off-setting benefit cuts. These interviews reflect this tension between the sense of urgency surrounding annual deficits, the debt, and the system’s long-term funding gap, and the consensus that benefit adequacy, particularly for low-income recipients, be a policy priority of any forthcoming Social Security legislation.

Interviewees on the conservative end of the range of opinion were generally less supportive of proposals that would address the issue of solvency with increases in the payroll tax base or tax rate and instead preferred to reduce expenditures by restraining benefit growth for high earners. These experts were also less enthusiastic about proposals that would make benefits more generous for anyone beyond those with low incomes, except for treating homemakers, working wives, and widows more fairly. In contrast, policy experts on the progressive end were almost unanimously supportive of increasing revenues by lifting the payroll tax cap on high earners and of proposals to expand Social Security benefits to a broader range of recipients.

Although these interviews confirmed the strong differences in opinion in attitudes towards Social Security reform as presented in the media, the findings also revealed a solid bipartisan consensus on the importance of prioritizing benefit adequacy for low earners, as well as working wives and caregivers. The majority of those interviewed were supportive of an increase in the minimum benefit and benefits for the oldest old, across party lines. There was also substantial support for making Social Security’s treatment of spouses and caregivers fairer rather than continuing to link benefit eligibility strictly to one’s marital status; proposals to address this issue that were mentioned included allowing earnings-sharing for married couples, instituting caregiving credits, and increasing the adequacy of survivors’ benefits. There was also bipartisan support for providing disability coverage for homemakers.

Specific findings of this report include:

- Virtually everyone interviewed agreed that benefit increases could only be considered by the Congress in the context of a long-term fix to the funding shortfall or after such a fix had been adopted.

- Policymakers, both Republicans and Democrats, are open to improving the adequacy of benefits at the low end of the income spectrum. Republicans explicitly stated that they

19 Social Security cannot by law contribute to the deficit because it cannot spend more money than it has (Altman 2005).
would like to make the system more progressive and that they see reducing benefits (or the growth of benefits) at the top as a key aspect of that effort—in other words, making Social Security a bit more like welfare.

- Most experts and policymakers are open to modernizing the system to take into account changes in women’s lives, for example, by introducing a provision like caregiving credits, which would not require a marriage for women (or men) to claim the benefits or by improving benefits for widows or older recipients. Bipartisan support was also expressed for including homemakers in the disability insurance part of Social Security; they are currently not covered unless they have sufficient work history in covered employment.

- Support for restoring benefits to children in college if they had a working parent who died or became disabled is mixed (this change would effectively restore the pre-1983 benefits for college students).

- Think tank experts hoped that the next few years following the interviews might be a time that the purpose of Social Security could be reexamined and that the system could be renovated to introduce some fundamental changes. Most believe that such changes should provide a solid base for retirement (i.e., eliminate poverty among elders), address changes in women’s roles and family patterns, streamline the system so it is easier to understand, and simplify and re-assess the goals and purpose of the system.

- Opinion as to whether Social Security would be tackled by Congress in the five years following the interviews (by the end of 2014) was mixed. The largest group (15 interviewees), including most of those who had ever served or worked in Congress (13), said changing the system would be ‘all pain’ and no gain and suggested the most likely outcome is waiting to tackle reform until necessary (e.g., 2033). The next largest group (9) expected Congress to tackle the issue within five years, especially if the President provided strong leadership and set up a commission to address the issue; the smallest group (8) either offered no opinion or could not decide.

- One interesting observation made by all those interviewed, who served at the Social Security Administration (SSA) is that by agreement between Congress and the White House, policymaking for the Social Security system, especially any tax or benefit changes, is led by the Department of the Treasury. In essence, SSA does not have a voice in policy debates. Several of those interviewed expressed concern that Social Security would become used as a tool of fiscal policy to be ramped up or down as economic activity required, and indeed that came to pass at the end of 2010, when the payroll tax was cut by about one-third to stimulate the economy in 2011; the cut was extended through the end of 2012. The cut did not affect the Social Security system’s revenues because payments were made to the Social Security Trust Fund to cover the loss in payroll contributions (general revenues of the federal government were used to make these payments).
In the years since the interviews were conducted, Congress has become more partisan and the possibility of a ‘grand fiscal bargain,’ in which some revenues are increased and some expenditures are cut, seems more remote. Neither the Bowles-Simpson Commission in 2010, nor Congress’s Super Committee in 2011, could achieve a consensus deficit reduction plan. Surveys of the public continue to show strong support for maintaining Social Security without cuts and increasing revenues to solve the long-term funding gap, as well as to increase benefits. Many respondents in this study, regardless of political affiliation or ideology, suggested that the most politically viable outcome of Congress tackling changes to Social Security’s solvency and adequacy would be a mixture of benefit cuts, modest benefit increases for low earners, and revenue increases. The failure of that middle road to date suggests that Social Security remains a third rail in American politics.

The failure of that middle road to date suggests that Social Security remains a third rail in American politics.
Appendix I: Interview Procedure

Thirty experts, 15 women and 15 men, were interviewed by the author for this project. Most of the interviews were conducted in the fall of 2009, two were conducted several months earlier. All but four interviews were conducted in person; four were completed by telephone. Nearly all the interviews were recorded and later transcribed, but, only handwritten notes taken during the interview are available for five. An effort was made to obtain a balance of interviews with Republican and Democratic legislators in the House and Senate, who hold relevant committee positions, and/or their staff members, as well as with experts at think tanks from a range of ideological leanings, and policymakers who held appointments in both Democratic and Republican administrations. In practice, it was more difficult to obtain interviews with Senate offices than with House offices and with Republican members of Congress than with Democratic members of Congress. While some interviews were challenging to obtain and schedule, once arranged, all the interview subjects were very willing to share their views on the topics identified. The questions below were sent in advance of the interview. Many interviewees engaged in wide-ranging discussions with the author and brought up issues of concern to them. Most interviews lasted close to an hour and several went on longer than an hour. Interviewees were assured their responses would not be personally attributed to them.

Based on the transcripts and notes, brief summaries of the interviewee’s responses to the questions, as well as the other issues volunteered, were placed on a grid in order to easily identify the range of responses to each question and the numbers of responses that were similar. This aid helped the author summarize the discussions accurately. The author’s interpretations of the responses as reflected in the transcripts and notes were checked by another researcher.

Questions

1. Do you think it is important to address solvency now. Which reforms to Social Security are most important?

2. Which proposals do you think have merit for improving benefits for lower-income seniors (if any)?

3. Which proposals do you think have merit for increasing benefits for older women (if any)?

4. What do you think of the student benefit?

5. Which, if any of the numerous proposed reforms, in your judgment, have the best chance of becoming law in the next few years?

6. How do you see Congress acting on Social Security? For example, some are expressing support for creating a commission while others favor reform legislation moving through the regular committee process.

7. Do you see potential conflict or complementarity between something like mandatory participation in 401(k)-type accounts or Guaranteed Retirement Accounts, which are being actively discussed now, and Social Security?

8. Lastly, what are your thoughts on timing?
List of Interviewees
(categorized by their status at time of interview)

Current Members of Congress

Rosa DeLauro, Connecticut (D), Committee on Budget
Earl Pomeroy, North Dakota (D), Chair, Subcommittee on Social Security, Ways and Means Committee, with Diane Oakley, Pensions Legislative Assistant#
Jan Schakowsky, Illinois (D), Vice-Chair, Subcommittee on Commerce, Trade, and Consumer Protection, Energy and Commerce Committee; Chief Deputy Whip; with Kathy Hurwit, Chief of Staff
Allison Schwartz, Pennsylvania (D), Vice Chair, Committee on Budget; Member, Subcommittee on Social Security, Ways and Means Committee
John Spratt, South Carolina (D), Chair, House Budget Committee###

Former Members of Congress

Barbara Kennelley, Connecticut (D), Ways and Means Committee*
Patricia Schroeder, Colorado (D) (successfully introduced legislation to reduce length of marriage required for accessing benefits from former spouse to 10 years from 20)**

Current and Former Congressional Staff

Kate Anderson, Senator Pat Roberts, Kansas (R), Finance Committee
Sarah Ahlan, Rep. John Yarmouth, Kentucky (D), Subcommittee on Social Security, House Ways and Means Committee
Kim Hildred (R), Minority Staff, House Ways and Means Committee
Jeff McCann (R), Minority staff, House Budget Committee,
Kathryn Olson (D), Majority Staff Director, Subcommittee on Social Security, House Ways and Means Committee
Debra Whitman, Jeff Cruz, and Jason Holsclaw, Majority Staff, Senate Select Committee on Aging***

Officials in the Clinton, Bush, and Obama Administrations

Kenneth Apfel (D), Commissioner, Social Security Administration, Clinton+
Michael Astrue (R), Commissioner, Social Security Administration, Bush-Obama
Andrew Biggs (R), Associate Commissioner, Deputy, and Principal Deputy Commissioner, Social Security Administration, 2003-2007, Bush++
Jane Ross (D), Associate Commissioner, Social Security Administration, Clinton+++;
William Spriggs (D), Chief Economist, Assistant Secretary for Policy, U.S. Department of Labor, Clinton-Obama ++++

Experts from Think Tanks, Universities, Consulting Firms, and Advocacy Groups

Henry Aaron, Brookings Institution ^
Edward D. Berkowitz, George Washington University
Sean O’Brian, AARP^^
Robert Reischauer, Urban Institute ^^^ (now retired)
Virginia Reno, National Academy of Social Insurance (NASI)
Maya Rockeymore, Global Policy Solutions and Board member, NCPSSM
John Rother, AARP (now retired)
Gene Steuerle, Urban Institute^^^^

Notes
# Mr. Pomeroy did not win reelection in 2010.
## Diane Oakley is now executive director of the National Institute for Retirement Studies.
### Mr. Spratt did not win reelection in 2010.
* Also former President of the National Commission to Protect Social Security and Medicare, a major advocacy group for older Americans, and former Associate Commissioner, Social Security Administration (under Clinton); now owns a policy strategy firm.
** Headed a trade association, the Association of American Publishers, after serving in Congress.
*** Debra Whitman is now the Executive Vice President for Policy, Strategy and International Affairs at AARP, Jeff Cruz is on Senator Elizabeth Warren’s staff, Jason Holdsclaw returned to the Government Accountability Office.
+ Currently an academic.
++ Now at the American Enterprise Institute.
+++ Now at a policy research organization.
++++ Academic and think tank background, now at AFL-CIO.
^ Also former Assistant Secretary for Planning and Evaluation at the Department of Health, Education, and Welfare (under Carter). Chaired the 1979 Advisory Council on Social Security.
^^ Now at the AFL-CIO.
^^^ Also former Director, Congressional Budget Office.
^^^^ Previously served as Deputy Assistant Secretary of the Treasury for Tax Analysis (under Reagan); Former Vice-President of the Peter G. Peterson Foundation.
## Appendix II: Legislation Affecting Social Security
### Introduced in the 110th-113th Congresses

<table>
<thead>
<tr>
<th>Bill Name, Bill Sponsor(s), Date Introduced, Congressional Session, Changes to Social Security*</th>
</tr>
</thead>
</table>
| **“Social Security Guarantee Plus Act of 2007”** (H.R. 1090)  
*Ron Lewis (R-WI)*  
(2/15/2007), 110th Congress |
| Adjusts the cap or raises revenue from higher earners | ✓ | ✓ | ✓ | ✓ |
| Increases the contribution rate for some or all earners |  |  |  |  |
| Switches to CPI-E or raises benefits across the board |  | ✓ |  |  |
| Increases minimum/social minimum benefit |  | ✓ | ✓ | ✓ |
| Increases benefits for widows or the very old |  | ✓ | ✓ | ✓ |
| Extends benefits for same-sex married couples and partnerships |  | ✓ | ✓ | ✓ |
| Caregiver credit option |  | ✓ | ✓ | ✓ |
| Restores student benefits |  | ✓ | ✓ | ✓ |
| Raises or increases acceleration of retirement age or requires additional years of work for max benefits |  | ✓ | ✓ | ✓ |
| Establishes “progressive price indexing,” reduces COLA, or includes Chained CPI |  | ✓ | ✓ | ✓ |
| Establishes individual account in or outside Social Security |  | ✓ | ✓ | ✓ |

Repeals the limitation on the amount of outside income which beneficiaries age 62 or over may earn (earns test) without issuing a reduction in benefits. Increases widow’s and widower’s insurance benefits. Provides benefits for disabled widows and widowers without regard to age. Repeals the seven-year restriction on eligibility for widow’s and widower’s insurance benefits based on disability. Waives the two-year waiting period for a divorced spouse’s benefits if the other spouse remarries. Provides up to five years of earning credits for those who stay at home to care for a child under the age of seven. Lowers the Social Security spousal/widow(er)’s benefit reduction under the Government Pension Offset from noncovered employment. Establishes a voluntary individual account system.

| **“Saving Social Security Act of 2008”** (S.2765)  
*Chuck Hagel (R-NE)*  
(3/13/2008), 110th Congress |
| Adjusts the cap or raises revenue from higher earners | ✓ | ✓ | ✓ | ✓ |
| Increases the contribution rate for some or all earners |  |  |  |  |
| Switches to CPI-E or raises benefits across the board |  | ✓ |  |  |
| Increases minimum/social minimum benefit |  | ✓ | ✓ | ✓ |
| Increases benefits for widows or the very old |  | ✓ | ✓ | ✓ |
| Extends benefits for same-sex married couples and partnerships |  | ✓ | ✓ | ✓ |
| Caregiver credit option |  | ✓ | ✓ | ✓ |
| Restores student benefits |  | ✓ | ✓ | ✓ |
| Raises or increases acceleration of retirement age or requires additional years of work for max benefits |  | ✓ | ✓ | ✓ |
| Establishes “progressive price indexing,” reduces COLA, or includes Chained CPI |  | ✓ | ✓ | ✓ |
| Establishes individual account in or outside Social Security |  | ✓ | ✓ | ✓ |

Allows workers born in 1963 or later to redirect 4 percent of the current Social Security payroll tax to an individual account (a SAFE account - “Social Security Saving Accounts For Employees”). Indexes initial benefits to increases in life expectancy, increases the full retirement age from 67 to 68 for persons born in 1963 or later, and increases the early retirement reduction. For workers participating in the SAFE account, Social Security benefits would have been offset by an amount equal to the annuity value of a hypothetical account assumed to earn a 3 percent real rate of return. Provides a minimum primary insurance amount (PIA) up to 135 percent of the poverty level for workers with 35 years of Social Security covered employment.

| **“Social Security Solvency Act of 2009”** (S.426)  
*Robert F. Bennett (R-UT)*  
(2/12/2009), 111th Congress |
| Adjusts the cap or raises revenue from higher earners |  |  |  |  |
| Increases the contribution rate for some or all earners |  |  |  |  |
| Switches to CPI-E or raises benefits across the board |  |  |  |  |
| Increases minimum/social minimum benefit |  | ✓ | ✓ | ✓ |
| Increases benefits for widows or the very old |  | ✓ | ✓ | ✓ |
| Extends benefits for same-sex married couples and partnerships |  | ✓ | ✓ | ✓ |
| Caregiver credit option |  | ✓ | ✓ | ✓ |
| Restores student benefits |  | ✓ | ✓ | ✓ |
| Raises or increases acceleration of retirement age or requires additional years of work for max benefits |  | ✓ | ✓ | ✓ |
| Establishes “progressive price indexing,” reduces COLA, or includes Chained CPI |  | ✓ | ✓ | ✓ |
| Establishes individual account in or outside Social Security |  | ✓ | ✓ | ✓ |

Modifies the benefit formula to provide “progressive price indexing” of initial Social Security benefits for future retirees. Indexes initial benefits to increases in life expectancy, and accelerate the increase in the full retirement age from 65 to 67, being phased-in under current law, so that the full retirement age will reach 67 for persons born in 1955 or later.

| **“Social Security Forever Act of 2009”** (H.R. 1863)  
*Robert Wexler (D-FL)*  
(4/1/2009), 111th Congress |
| Adjusts the cap or raises revenue from higher earners | ✓ | ✓ | ✓ | ✓ |
| Increases the contribution rate for some or all earners |  |  |  |  |
| Switches to CPI-E or raises benefits across the board |  |  |  |  |
| Increases minimum/social minimum benefit |  | ✓ | ✓ | ✓ |
| Increases benefits for widows or the very old |  | ✓ | ✓ | ✓ |
| Extends benefits for same-sex married couples and partnerships |  | ✓ | ✓ | ✓ |
| Caregiver credit option |  | ✓ | ✓ | ✓ |
| Restores student benefits |  | ✓ | ✓ | ✓ |
| Raises or increases acceleration of retirement age or requires additional years of work for max benefits |  | ✓ | ✓ | ✓ |
| Establishes “progressive price indexing,” reduces COLA, or includes Chained CPI |  | ✓ | ✓ | ✓ |
| Establishes individual account in or outside Social Security |  | ✓ | ✓ | ✓ |

Requires workers and employers each to contribute 3 percent of earnings above the taxable wage base, in addition to the 6.2 percent of earnings up to the taxable wage cap payable under current law. Earnings above the taxable wage cap taxed at the 3 percent rate would not have been credited for benefit computation purposes.

Key: Green check mark indicates revenue increase, blue check mark benefit increase, red check mark benefit cut.
<table>
<thead>
<tr>
<th>Bill Name, Bill Sponsor(s), Date Introduced, Congressional Session, Changes to Social Security*</th>
</tr>
</thead>
</table>
| **“Roadmap for America’s Future Act of 2010” (H.R.4529)**
Rep. Paul Ryan (R-WI)  
(1/27/2010), 111th Congress |
| Introduce a voluntary individual accounts system to allow workers aged 55 or younger in 2012 to redirect a portion of their payroll tax contributions. Modifies the Social Security benefit formula to provide “progressive price indexing” of initial monthly benefits for future retirees. Accelerates the increase in the full retirement age to 67 for persons born in 1959. It further increases the full retirement age for persons born in later years to reflect projected increases in life expectancy. Increases the minimum benefits for low-income workers by increasing the benefits to at least 120 percent of the poverty level for those who opt out of the individual account system. Individuals who choose to participate in the personal account system receive annuity payments of at least 150 percent of the poverty level. |
| Adjusts the cap or raises revenue from higher earners  
Increases the contribution rate for some or all earners  
Switches to CPI-E or raises benefits across the board  
Increases minimum benefit for Social Security  
Increases minimum benefit for Widows or the very old  
Extended benefits for same sex married couples and partnerships  
Caregiver credit option  
Restores student benefits  
Raises or increases early retirement age or requires additional years of work for max benefits  
Establishes “progressive price indexing” reduces COLA, or includes Chained CPI  
Establishes individual account in or outside Social Security |
| ✓  
✓  
✓  
✓  
✓ |
| **“Preserving our Promise to Seniors Act” (H.R.539)**
Rep. Theodore Deutch (D-FL)  
(2/8/2011), 112th Congress |
| Gradually eliminates the tax cap by 2018 and counts earnings above the cap towards modest benefits (using a modified benefits formula). Changes the basis for the Social Security cost-of-living adjustment (COLA) formula so that it’s based on the Consumer Price Index for the Elderly (CPI-E). Provides a supplemental payment to Social Security beneficiaries in years for which no COLA is payable. Creates a point of order against legislation that proposes to “privatize” Social Security or reduce benefits. |
| ✓  
✓ |
| **“Social Security Solvency and Sustainability Act” (S.804)**
Sen. Lindsey Graham (R-SC)  
(4/13/2011), 112th Congress |
| Increases the full retirement age by three months each year, beginning with persons who attain age 62 in 2017, until it reaches age 70. After the full retirement age reaches age 70, it would be increased by about one month every two years to maintain a constant ratio of expected retirement years to potential working years. The early retirement age would be increased from age 62 to 64 for those who attain age 62 in 2028 or later. The Social Security benefit formula would be modified to provide “progressive price indexing” of initial monthly benefits for future retirees. |
| ✓  
✓ |
| **“Defend and Save Social Security Act” (S.1213) and (S.3533)**
Sen. Kay Bailey Hutchison (R-TX)  
(6/16/2011 and 9/12/2012), 112th Congress |
| Increases the full retirement age by three months each year, beginning with persons who attain age 62 in 2016, until it reaches age 70 for persons who attain age 62 in 2031 or later. The early retirement age would be increased from age 62 to age 64. The annual Social Security COLA would be computed as under current law and reduced by 1 percent. |
| ✓  
✓ |
<table>
<thead>
<tr>
<th>Bill Name, Bill Sponsor(s), Date Introduced, Congressional Session, Changes to Social Security*</th>
</tr>
</thead>
</table>
| **“Social Security Caregiver Credit Act of 2011” (H.R.2290)**  
Rep. Nita Lowey (D-NY)  
(6/22/2011), 112th Congress  
Establishes up to 5 years of credit for periods of time when a worker had no or reduced earnings because s/he was providing at least 80 hours of care per month to a dependent relative (i.e. child, grandchild, niece, nephew who is under the age of 12; or a child, grandchild, niece, nephew, parent, aunt, uncle, spouse, or domestic partner if considered a chronically dependent individual) without monetary compensation. The credit would be one-half of the average wage for all covered workers. This would include partial credit, so if the worker had reduced earnings, s/he would receive a credit equal to the difference between actual earnings and one-half the average wage. Extends caregiver credits to same-sex partnerships. | Adjusts the cap or raises revenue from higher earners | Increase in the contribution rate for some or all earners | Switches to CPI-E to raise benefits across the board | Increases minimum benefit for social security beneficiaries | Increases benefits for some dual-married couples and partnerships | Extends benefits for some dual-married couples and partnerships | Caregiver credit option | Restores student benefits | Raises or increases earlier age of retirement age or requires additional years of work for max benefits | Establishes “progressive price indexing,” reduces COLA, or includes Chained CPI | Establishes individual account in or outside Social Security |
| **“Act for the 99%” (H.R.3638)**  
Rep. Raul Grijalva (D-AZ)  
(12/13/2011), 112th Congress  
Eliminates the tax cap. Applies the 12.4 percent payroll to all earning above $250,000 starting in 2012. The additional taxable earnings would not be counted towards benefit computation. |  |  | ✓ | ✓ |  |  |  |  |  |  |  |
| **“Rebuild America Act” (S.2252) and (H.R.5727)**  
Sen. Tom Harkin (D-IA) and Rep. Rosa DeLauro (D-CT)  
(3/29/2012 and 5/10/2012), 112th Congress  
Gradually phases out the Social Security cap over the next 10 years. Requires the use of the CPI-E when calculating COLAs for all beneficiaries. Modifies the benefit formula which results in increased benefits across the board by approximately $60 per month. |  |  | ✓ | ✓ |  |  |  |  |  |  |  |
| **“Protecting and Preserving Social Security Act” (S.308) and (HR.649)**  
Sen. Mark Begich (D-AK) and Rep. Theodore Deutch (D-FL)  
(2/13/2013), 113th Congress  
Switches to the CPI-E. Gradually lifts the tax cap over 7 years and asks higher income earners to pay Social Security at the same rate as other earners. | ✓ | ✓ |  |  |  |  |  |  |  |  |  |
| **“Fiscal Sustainability Act of 2013” (S.11)**  
Sen. Bob Corker (R-TN)  
(2/26/2013), 113th Congress  
Increases the number of computation years eligible for maximum benefits. Increases the minimum monthly Social Security insurance benefit for low-wage workers. Increases the early and full retirement ages. Amends the Internal Revenue Code to revise the formula for determining the COLA for any calendar year. Modifies the COLA of Social Security benefits to the Chained CPI. Increases benefits for the very old. | ✓ | ✓ | ✓ | ✓ | ✓ |  |  |  |  |  |  |
<table>
<thead>
<tr>
<th>Bill Name, Bill Sponsor(s), Date Introduced, Congressional Session, Changes to Social Security*</th>
</tr>
</thead>
</table>
| **“Consumer Price Index for Elderly Consumers Act of 2013” (H.R.1030)**  
Rep. Peter DeFazio (D-OR)  
(3/7/2013), 113th Congress |
| Directs the Bureau of Labor Statistics of the Department of Labor to prepare and publish a monthly CPI-E. Issues the use of the CPI-E in computing the COLA to determine Social Security benefits. |
| **“Keeping Our Social Security Promises Act” (S. 500) and “No Loopholes in Social Security Taxes Act” (H.R. 1029)**  
Sen. Bernie Sanders (I-VT) and Rep. Peter DeFazio (D-OR)  
(3/7/2013), 113th Congress |
| Adjusts the tax cap by subjecting earnings above $250,000 to the payroll tax. Creates a temporary gap of earnings not taxed between the current cap and $250,000; however, this gap will gradually close as the current tax cap reaches $250,000. |
| **“Alex’s Law” (H.R.1160)**  
Rep. Cynthia M. Lummis (R-WY)  
(3/14/2013), 113th Congress |
| Increases the age for retirement to 70 and the early retirement age to 65 by January 1, 2069. |
| **“Strengthening Social Security Act of 2013” (S.567) and (HR.3118)**  
Sen. Tom Harkin (D-IA) and Rep. Linda Sanchez (D-CA)  
(3/14/2013 and 9/17/2013), 113th Congress |
| Gradually eliminates the Social Security tax cap by having higher earners pay the same rate as other earners. Modifies the benefit formula which results in increased benefits across the board by approximately $70 per month. Benefit increase is targeted to help those in the low and middle of the income distribution. Switches to the CPI-E. |
| **“Social Security Enhancement and Protection Act” (H.R.1374)**  
Rep. Gwen Moore (D-WI)  
(3/21/2013), 113th Congress |
| Increases the special minimum benefit paid to long-time low-wage workers based on years in the workforce and a percentage of 1/12th of the poverty guideline for the previous year. Gives credits of up to 5 years toward the minimum benefit for an individual who leaves the workforce to raise a child younger than six years old that lives in his/her home. Provides a 5 percent increase for the very old. Restores the benefits of survivors in college up to age 22. Eliminates the cap on taxable income and gradually increases the payroll tax towards Social Security benefits beginning in 2015. |
| **“Guaranteed 3% COLA for Seniors Act of 2013” (H.R.1585)**  
Rep. Eliot L. Engel (D-NY)  
(4/16/2013), 113th Congress |
| Directs the Bureau of Labor Statistics to prepare and publish a monthly CPI-E that indicates changes over time in expenditures for the elderly. Requires the use of such an index to compute COLA increases for Social Security benefits. Provides an annual cost-of-living increase of at least 3 percent for individuals who have attained age 62. |

<table>
<thead>
<tr>
<th>Bill Name, Bill Sponsor(s), Date Introduced, Congressional Session, Changes to Social Security*</th>
<th>Adjusts the cap or raises revenue from higher earners</th>
<th>Increases in contribution rate for some or all earners</th>
<th>Switches to CPI-E or raises benefits across the board</th>
<th>Increases minimum social security benefit for widows or the very old</th>
<th>Extends benefits for same-sex married couples and partnerships</th>
<th>Caregiver credit option</th>
<th>Restores student benefits</th>
<th>Raises or increases accrual rate of retirement age or requires additional years of work for max benefits</th>
<th>Establishes “progressive price indexing” or reduces COLA, or includes Chained CPI</th>
<th>Establishes individual account in or outside Social Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorizes the treatment of permanent partnerships between individuals of the same gender as marriage for purposes of determining entitlement to Social Security benefits.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requires the use of the Chained CPI for calculation of Social Security COLAs. This shifts the measure of cost-of-living from the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the Chained CPI.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amends title II of the Social Security Act by clarifying that same-sex married couples, who live in states that do not recognize their marriages or civil unions, would be eligible to receive Social Security benefits.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>See “Social Security Caregiver Credit Act of 2011.” The amended Act of 2014 sets the prospective start date for receiving caregiving credits in the form of deemed wages to December 2014 and expands the partial credit for working caregivers by establishing a phase out range for earnings between 1/2 the average wage and the full average wage for all covered workers. In all other major aspects, the caregiver credit remains the same: it is available for up to 5 years to those who provide unpaid care for at least 80 hours per month to a broad range of relatives of the worker, including his or her domestic partner, and the domestic partner’s relatives. The maximum value of the credit is 1/2 the average wage of all covered workers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Bill summaries have been collected and adapted from the Congressional Research Service, Center for Community Change, and Strengthen Social Security Coalition.

This appendix was prepared by Mary Sykes and Susan Andrzejewski.
References


