



## **Strengthen Social Security Act of 2013 S 567 (Harkin)/ HR 3118 (Sanchez)**

Today, half of Americans have less than \$10,000 in savings, and only 14 percent are 'very confident' they will have enough money for a comfortable retirement according to a study by the Employee Benefit Research Institute. Our nation's retirement system has often been described as a "three-legged stool" of pensions, savings, and Social Security. While employer provided pensions have disappeared and saving has become more difficult for families, Social Security remains as the bedrock of the retirement system. But, alone, Social Security benefits are not enough, and were never intended to be enough, to provide Americans with a chance to enjoy their golden years.

### ***The Strengthening Social Security Act of 2013 would:***

- **Strengthen Benefits by Reforming the Social Security Benefit Formula:**

To improve benefits for current and future Social Security beneficiaries, the Act changes the method by which the Social Security Administration calculates Social Security benefits. This change will boost benefits for all Social Security beneficiaries by approximately \$70 per month, but is targeted to help those in the low and middle of the income distribution, for whom Social Security has become an ever greater share of their retirement income.

- **Ensure that Cost of Living Adjustments Adequately Reflect the Living**

**Expenses of Retirees:** The Act changes the way the Social Security Administration calculates the Cost of Living Adjustments (COLA). To ensure that benefits better reflect cost increases facing seniors, future COLAs will be based on the Consumer Price Index for the Elderly (CPI-E). Making this change to Social Security is expected to result in higher COLAs, ensuring that seniors are able to better keep up with the rising costs of essential items, like health care.

- **Improve the Long Term Financial Condition of the Trust Fund:**

Social Security is not in crisis, but does face a long-term deficit. To help extend the life of the trust fund the Act phases out the current taxable cap of \$113,700 so that payroll taxes apply fairly to every dollar of wages.

Combined, these changes will increase benefits for current and future beneficiaries while making Social Security stronger for future generations by extending the life of the Trust Fund through 2049. According to a national [survey](#) released earlier this year by the nonpartisan National Academy of Social Insurance (NASI), there is public support for such proposals. In fact, according to the NASI poll, those surveyed said that proposals like those of Senator Harkin's that remove the cap, increase benefits, and change the COLA are the most popular approach to "fixing" Social Security.