

The Kaptur-Larson Proposal: What It Means for You

FOR ALL CURRENT BENEFICIARIES

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

Greater Retirement Security for Women

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

Low Income Americans

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

Elderly Americans

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

Workers and Future Retirees

The assurance of knowing the system remains on strong footing and the guarantee that the Trust Fund will be able to meet benefit obligations beyond 2088.

Contacts

For more information about the Kaptur-Larson proposal, visit:
<http://kaptur.house.gov>



You can also visit the Social Security Administration's website at:
www.SSA.gov or call 1-800-772-1213 for more information

REFERENCES

1. Social Security Administration
2. AARP Report: "Social Security's Impact on the National Economy"
3. Center on Budget and Policy Priorities
4. Based on a 2% increase from the \$15,528 average annual Social Security retirement benefit
5. Office of the Chief Actuary

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The Social Security 2100 Act:

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



Prepared by the office of U.S.
Congresswoman Marcy Kaptur





SOCIAL SECURITY IS NOT AN ENTITLEMENT

It is insurance that you contribute to with each paycheck. That is why FICA stands for:

Federal Insurance Contributions Act

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

SOCIAL SECURITY IS AFFORDABLE

- Many have suggested we can't afford Social Security and that today's workforce shouldn't count on its benefits. That is plain wrong.
- Cutting benefits would be a mistake. Workers today have seen stagnant wages, are less likely to find a job with a pension, and have 401k's and savings plans that aren't enough for a secure retirement.
- The fact is Social Security has built up \$2.7 trillion in reserves and is fully solvent through 2033. However, benefits are scheduled to fall by one-quarter after 2033, which is why we should act to strengthen the system.

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

THE KAPTUR-LARSON SOCIAL SECURITY PROPOSAL

STRENGTHENS BENEFITS BUILDING ON WHAT WORKS

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

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

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

Ensures that millionaires and billionaires pay into the system like everyone else. Presently, payroll taxes are not collected on wages over \$117,000. This proposal would apply the payroll tax to wages above \$400,000.

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

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

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

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