B · Provisions Affecting Level of Monthly Benefits

These provisions modify the formula used for calculating the basic Social Security monthly benefit called the Primary Insurance Amount (PIA). For each provision, we provide an estimate of the financial effect on the OASDI program over the long-range period (the next 75 years) and for the 75th year. We base all estimates on the intermediate assumptions described in the 2017 Trustees Report.

We group these provisions as follows:

- **B1: PIA bend point and factor changes, adjusting for inflation.**
  These provisions reduce benefits for some future beneficiaries.
  Future PIA bend points and formula factors change so that the growth in benefits from one cohort to the next reflect some degree of inflation, rather than growth in average wages as specified in current law.
- **B2: PIA bend point and factor changes, adjusting for longevity**
  These provisions reduce benefits for some future beneficiaries.
  Future PIA formula factors decrease as a result of increased longevity (people living longer).
- **B3: PIA bend point and factor changes, other adjustments.**
  These provisions specify other changes in future PIA bend points and formula factors.
- **B4: Computation year changes.**
  These provisions specify changes to the number of years used in determining benefits.
- **B5: Minimum benefits.**
  These provisions provide an increase in benefits to targeted individuals, generally those with low earnings and full work careers.
- **B6: Benefit increases for older beneficiaries.**
  These provisions provide an increase in benefits for beneficiaries who have been on the rolls for at least 20 years.
- **B7: Other benefit adjustments.**

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

Category B: Level of Monthly Benefits (2017 Trustees Report intermediate assumptions)

Current law shortfall in long-range actuarial balance is **2.83** percent of payroll and in annual balance for the 75th year is **4.48** percent of payroll.

Description of proposed provisions		Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B1.1	**Price indexing of PIA factors beginning with those newly eligible for OASDI benefits in 2024:** Reduce factors so that initial benefits grow by inflation rather than by the SSA average wage index.	2.65	7.68	94%	171%
B1.2	**Progressive price indexing (30th percentile) of PIA factors beginning with individuals newly eligible for OASDI benefits in 2024:** Create a new bend point at the 30th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 30th percentile and below. Reduce the 32 and 15 percent factors above the 30th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in the SSA average wage index.	1.46	4.26	52%	95%
B1.3	**Progressive price indexing (40th percentile) of PIA factors beginning with individuals newly eligible for OASDI benefits in 2024:** Create a new bend point at the 40th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 40th percentile and below. Reduce the 32 and 15 percent factors above the 40th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in the SSA average wage index.	1.23	3.58	44%	80%
B1.4	**Progressive price indexing (50th percentile) of PIA factors beginning with individuals newly eligible for OASDI benefits in 2024:** Create a new bend point at the 50th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 50th percentile and below. Reduce the 32 and 15 percent factors above the 50th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in the SSA average wage index.	1.00	2.72	35%	61%
B1.5	**Progressive price indexing (60th percentile) of PIA factors beginning with individuals newly eligible for OASDI benefits in 2024:** Create a new bend point at the 60th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 60th percentile and below. Reduce the 32 and 15 percent factors above the 60th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in the SSA average wage index.	0.72	1.76	26%	39%
B1.6 (2021)	**Progressive price indexing (30th percentile) of PIA factors beginning with individuals newly eligible for OASI benefits in 2021:** Create a new bend point at the 30th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 30th percentile and below. Reduce the 32 and 15 percent factors above the 30th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in the SSA average wage index. Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status. Young survivors (children of deceased workers and surviving spouses with a child in care) are not affected.	1.47	3.96	52%	88%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

Category B: Level of Monthly Benefits (continued)

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Description of proposed provisions		Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B1.6 (2026)	**Progressive price indexing (30th percentile) of PIA factors beginning with individuals newly eligible for OASI benefits in 2026:** Create a new bend point at the 30th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 30th percentile and below. Reduce the 32 and 15 percent factors above the 30th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in the SSA average wage index. Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status.	1.18	3.66	42%	82%
B1.7	**Progressive price indexing (40th percentile) of PIA factors for individuals newly eligible for OASI benefits in 2025 through 2062:** Create a new bend point at the 40th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 40th percentile and below. Reduce the 32 and 15 percent factors above the 40th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in the SSA average wage index. Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status. Young survivors (children of deceased workers and surviving spouses with a child in care) are not affected.	0.98	2.56	35%	57%
B1.8	**Progressive price indexing (50th percentile) of PIA factors for individuals newly eligible for OASI benefits in 2022 through 2061:** Create a new bend point at the 50th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 50th percentile and below. Reduce the 32 and 15 percent factors above the 50th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in the SSA average wage index. Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status.	0.96	2.29	34%	51%
B2.1	Beginning with those newly eligible for OASI benefits in 2027, multiply the PIA factors by the ratio of life expectancy at 67 for 2022 to the life expectancy at age 67 for the 4th year prior to the year of benefit eligibility. Unisex life expectancies, based on period life tables as computed by SSA's Office of the Chief Actuary, are used to determine the ratio. Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status.	0.52	1.68	18%	37%
B3.1	Beginning with those newly eligible for OASDI benefits in 2018, multiply the 32 and 15 percent PIA factors each year by 0.987. Stop reductions after 2048, when the factors reach 21 percent and 10 percent, respectively.	1.54	2.96	54%	66%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

Category B: Level of Monthly Benefits (continued)

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	Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B3.2	Beginning with those newly eligible for OASI benefits in 2025, multiply the 90 and 32 percent PIA factors each year by 0.9925 and 0.982, respectively. Stop reductions after 2062. Beginning with those newly eligible for OASI benefits in 2020, multiply the 15 factor by 0.982. Stop reduction of the 15 factor after 2057. Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status. Child beneficiaries and spouses with a child in care under the OASI program are not affected by this proposal.	2.05	5.26	72%	117%
B3.3	Beginning with those newly eligible for OASDI benefits in 2018, use a modified primary insurance amount (PIA) formula. The modified formula: (1) increases the first bend point to the equivalent of $800 in 2009 (about $952 in 2017); (2) places a new bend point 75 percent of the way between the reset first bend point and the current-law second bend point; (3) lowers the PIA factor between the new bend point and the upper bend point from 32 percent to 20 percent; and (4) lowers the factor above the upper bend point from 15 percent to 10 percent.	0.22	0.29	8%	7%
B3.4	Beginning with those newly eligible for OASDI benefits in 2021, multiply all PIA factors each year by 0.991. Stop reductions after 2049. Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status. Young survivors (children of deceased workers and surviving spouses with a child in care) are not affected.	1.50	3.15	53%	70%
B3.5	**Progressive indexing (30th percentile) of PIA factors beginning with individuals newly eligible for OASI benefits in 2020, continuing through 2057, and resuming in 2078:** Create a new bend point at the 30th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 30th percentile and below. Reduce the 32 and 15 percent factors above the 30th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum is reduced by 1.20 percent per year as compared to current law (for the years that progressive indexing applies). Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status.	1.33	3.11	47%	69%
B3.6	**Progressive indexing (30th percentile) of PIA factors beginning with individuals newly eligible for OASI benefits in 2020, continuing through 2069:** Create a new bend point at the 30th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 30th percentile and below. Reduce the 32 and 15 percent factors above the 30th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum is reduced by 1.20 percent per year as compared to current law (for the years that progressive indexing applies). Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status.	1.41	3.57	50%	80%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

Category B: Level of Monthly Benefits (continued)

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	Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B3.7	**Progressive indexing (30th percentile) of PIA factors beginning with individuals newly eligible for OASI benefits in 2020, continuing through 2029, and resuming in 2068:** Create a new bend point at the 30th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 30th percentile and below. Reduce the 32 and 15 percent factors above the 30th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum is reduced by 1.20 percent per year as compared to current law (for the years that progressive indexing applies). Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired-worker beneficiary status.	0.61	1.60	22%	36%
B3.8	Beginning with those newly eligible for OASDI benefits in 2024, create a new bend point at the 50th percentile of the AIME distribution of newly retired workers and gradually reduce all PIA factors except for the 90 percent factor. By 2057: a) the 32 percent PIA factor below the new bend point reduces to 30 percent; b) the 32 percent PIA factor above the new bend point reduces to 10 percent; and c) the 15 percent PIA factor reduces to 5 percent.	0.93	2.30	33%	51%
B3.9	Beginning with those newly eligible for OASDI benefits in 2030, gradually reduce the 15 percent PIA factor in each year so that it reaches 10 percent for those newly eligible in 2059 and later.	0.08	0.23	3%	5%
B3.10	Beginning with those newly eligible for OASDI benefits in 2024, gradually increase the first PIA bend point in each year so that it is 15 percent higher for those newly eligible in 2038 and later.	-0.37	-0.71	-13%	-16%
B3.11	Increase the first PIA factor from 90 percent to 93 percent for all beneficiaries eligible as of January 2019 and for those newly eligible for benefits after 2018.	-0.24	-0.26	-8%	-6%
B3.12	Use an annualized mini-PIA formula beginning with retired workers newly eligible in 2024. For each indexed earnings year, compute an individual AIME and an individual PIA. Sum these individual PIAs for the 40 highest years of indexed earnings and divide that total amount by 37 to get the PIA for this provision. Phase-in over five years, meaning that in 2024, 80 percent of the benefit would be based on the old 35-year average PIA formula and 20 percent on the new mini-PIA formula, shifting by 20 percentage points each year until 100 percent is based on the new mini-PIA formula for those attaining age 62 in 2028. Disabled worker benefits are unchanged under this provision.	0.25	0.40	9%	9%
B3.13	For retired worker beneficiaries newly eligible in 2024 (excluding disabled workers), add a new bend point at the wage-indexed equivalent of the 50th percentile of the AIME distribution minus $100 (for 2015 eligibility) and change the PIA factors to 95/32/15/5. Also move the current-law first bend point from the wage-indexed equivalent of $885 in 2017 to $1,125 in 2017. Phase this provision in over 10 years (2024-2033). The phase-in would work on a weighted-average basis: 90% of CL formula + 10% of proposal formula for 2024, 80% of CL formula + 20% of proposal formula for 2025, and so on.	0.07	0.14	2%	3%
B3.14	Beginning with those newly eligible for OASDI benefits in 2019, reduce the 15 percent PIA factor by 2 percentage points per year so that it reaches 5 percent for those newly eligible in 2023 and later.	0.32	0.47	11%	10%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

Category B: Level of Monthly Benefits (continued)

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Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
	Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B3.15 Increase the 90 percent PIA formula factor to 91 percent for beneficiaries newly eligible in 2022, 92 percent for those newly eligible in 2023, ..., reaching 95 percent for those newly eligible in 2026 and later.	-0.28	-0.44	-10%	-10%
B3.16 For retired worker and disabled worker beneficiaries becoming initially eligible in January 2024 or later, phase in a new benefit formula (from 2024 to 2033). Replace the existing two primary insurance amount (PIA) bend points with three new bend points as follows: (1) 25% AWI/12 from 2 years prior to initial eligibility; (2) 100% AWI/12 from 2 years prior to initial eligibility; and (3) 125% AWI/12 from 2 years prior to initial eligibility. The new PIA factors are 95%, 27.5%, 5% and 2%. During the phase in, those becoming newly eligible for benefits will receive an increasing portion of their benefits based on the new formula, reaching 100% of the new formula in 2033.	0.89	1.60	31%	36%
B4.1 Increase the number of years used to calculate benefits for retirees and survivors (but not for disabled workers) from 35 to 38, phased in over the years 2018-2022.	0.27	0.38	10%	8%
B4.2 Increase the number of years used to calculate benefits for retirees and survivors (but not for disabled workers) from 35 to 40, phased in over the years 2018-2026.	0.44	0.64	15%	14%
B4.3 For the OASI and DI computation of the PIA, gradually reduce the maximum number of drop-out years from 5 to 0, phased in over the years 2019-2027.	0.60	0.92	21%	21%
B4.4 Reduce the number of computation years (increase dropout years) for parents having a child in care under the age of 6. The parent must have no earnings (covered or non-covered) for the year to be eligible for the credit. Only one parent can claim the childcare added dropout year for a given earnings year. Each parent can earn at most 2 dropout years per child, and a maximum of 5 dropout years in total. The years designated as childcare years do not have to be the years that could otherwise be included in the computation of the average indexed monthly earnings (AIME). The provision would be effective for all benefits payable for entitlement in January 2019 and later (without regard for when the beneficiary became initially eligible).	-0.05	-0.05	-2%	-1%
B4.5 For retired and disabled workers, reduce the maximum number of dropout years to 4 for workers newly eligible in 2019, to 3 for workers newly eligible in 2020, and to 2 for workers newly eligible in 2021 and later.	0.36	0.52	13%	12%

Office of the Chief Actuary
Social Security Administration
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Category B: Level of Monthly Benefits (continued)

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	Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B5.1	Increase the PIA to a level such that a worker with 30 years of earnings at the minimum wage level receives an adjusted PIA equal to 120 percent of the Federal poverty level for an aged individual. This provision takes full effect for all newly eligible OASDI workers in 2035, and is phased in for new eligibles in 2026 through 2034. The percentage increase in PIA is lowered proportionately for those with fewer than 30 years of earnings, down to no enhancement for workers with 20 or fewer years of earnings. (Year-of-work requirements are scaled for disabled workers based on their years of potential work from age 22 to benefit eligibility). The benefit enhancement percentage is reduced proportionately for workers with higher average indexed monthly earnings (AIME), down to no enhancement for those with AIME at least twice that of a 35-year steady minimum wage earner.	-0.01	-0.00	-0%	-0%
B5.2	Beginning for those newly eligible in 2018, reconfigure the special minimum benefit: (a) A year of coverage is defined as a year in which 4 quarters of coverage are earned. (b) At implementation, set the PIA for 30 years of coverage equal to 125 percent of the monthly poverty level (about $1,238 in 2016). For those with under 30 years of coverage, the PIA per year of coverage over 10 years is $1,238/20 = $61.90. (c) Index the initial PIA per year of coverage by wage growth for successive cohorts.	-0.15	-0.22	-5%	-5%
B5.3	Beginning for those newly eligible in 2018, reconfigure the special minimum benefit: (a) A year of coverage is defined to be either a year in which 4 quarters of coverage are earned or a child is in care. Childcare years are granted to parents who have a child under 5, with a limit of 8 such years. (b) At implementation, set the PIA for 30 years of coverage equal to 125 percent of the monthly poverty level (about $1,238 in 2016). For those with under 30 years of coverage, the PIA per year of coverage over 10 years is $1,238/20 = $61.90. (c) Index the initial PIA per year of coverage by wage growth for successive cohorts.	-0.22	-0.32	-8%	-7%
B5.4	Beginning for those newly eligible in 2024, reconfigure the special minimum benefit: (a) A year of coverage is defined as a year in which 4 quarters of coverage are earned. (b) At implementation, set the PIA for 30 years of coverage equal to 125 percent of the monthly poverty level (about $1,238 in 2016). For those with under 30 years of coverage, the PIA per year of coverage over 10 years is $1,238/20 = $61.90. (c) From 2016 to the year of implementation, 2024, index the PIA per year of coverage using the chain-CPI index. Then, for later years, index the PIA per year of coverage by wage growth for successive cohorts. (d) Scale work requirements for disabled workers, based on the number of years of non-disabled potential work.	-0.12	-0.20	-4%	-4%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

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Description of proposed provisions		Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B5.5	Beginning for those newly eligible in 2019, reconfigure the special minimum benefit: (a) A year of coverage is defined as a year in which either 20 percent of the old law maximum is earned or a child is in care. Childcare years are granted to parents who have a child under 6, with a limit of 8 such years. (b) At implementation, set the PIA for 30 years of coverage equal to 133 percent of the Census monthly poverty level (about $1,276 in 2016). For those with under 30 years of coverage, the PIA per year of coverage over 19 years is $1,276/11 = $116.00. (c) Index the initial PIA per year of coverage by wage growth for successive cohorts. (d) Scale work requirements for disabled workers, based on the number of years of non-disabled potential work.	-0.05	-0.08	-2%	-2%
B5.6	Beginning for those newly eligible in 2018, reconfigure the special minimum benefit: (a) A year of coverage is defined to be either a year in which 4 quarters of coverage are earned or a child is in care. Childcare years are granted to parents who have a child under 6, with a limit of 5 such years. (b) At implementation, set the PIA for 30 years of coverage equal to 100 percent of the monthly poverty level (about $1,005 in 2017). For those with under 30 years of coverage, the PIA per year of coverage over 10 years is $1,005/20 = $50.25. (c) From 2017 to the year of implementation, 2018, index the PIA per year of coverage using the CPI index. Then, for later years, index the PIA per year of coverage by wage growth for successive cohorts. (d) Scale work requirements for disabled workers, based on the number of years of non-disabled potential work.	-0.10	-0.16	-4%	-3%
B5.7	Beginning for those newly eligible in 2020, reconfigure the special minimum benefit: (a) The number of years of work (YOWs) is determined as total quarters of coverage divided by 4, ignoring any fraction. Childcare years are granted to parents who have a child under 6, with a limit of 5 such years. (b) At implementation, set the PIA for 30+ YOWs equal to 100 percent of the monthly HHS poverty level for the year prior to eligibility. For workers between 11 and 29 YOWs, reduce the special minimum by 3 1/3 percentage points per YOW so that at 29 YOWs the minimum would be 96 2/3% of poverty, ..., down to 11 YOWs at 36 2/3% of poverty. No minimum for 10 or fewer YOWs.	-0.02	-0.00	-1%	-0%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

Category B: Level of Monthly Benefits (continued)

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	Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B5.8	Beginning in 2022, create a Basic Minimum Benefit (BMB) within Social Security (i.e., the cost of the BMB would be charged as a cost to the OASI Trust Fund), with the following specifications: (1) Eligibility for the BMB would be limited to OASI beneficiaries who have attained normal retirement age (NRA) or above. OASI beneficiaries under NRA would not be eligible for the BMB. (2) The BMB would be calculated on a household basis and split equally between members of the household. In the case of a married couple, both spouses would need to claim any Social Security benefits for which they are eligible before they could receive the BMB. If both spouses have claimed and one is NRA or above and the other has not yet attained NRA, only the half of the BMB for the spouse over NRA would be payable. (3) The BMB amount for single beneficiaries would be equal to either: 1) the BMB base ($604 in 2015) - 0.70 * current monthly OASI benefit (not including any BMB), if positive; or 2) zero. (4) The BMB amount for married beneficiaries would be equal to either: 1) the BMB base ($906 in 2015) - 0.70 * total household monthly OASI benefits (not including any BMB), if positive; or 2) zero. (5) The BMB bases for singles and couples would be updated annually for changes in the average wage index (AWI). (6) Single filers with Adjusted Gross Income (AGI) over $30,000 and joint filers with AGI (including taxable SS benefits) over $45,000 would be subject to clawback of the BMB through the income tax system. Any BMB would be reduced by one dollar for every dollar of income above the thresholds. (Thresholds, in 2015 dollars, would be indexed to chained CPI-U.) Clawbacks would be credited back to the OASI Trust Fund.	-0.20	-0.24	-7%	-5%
B5.9	Beginning for those newly eligible in 2019, reconfigure the special minimum benefit: (a) A year of coverage is defined as a year in which 4 quarters of coverage are earned. (b) At implementation, set the PIA for 40 years of coverage equal to 125 percent of the monthly Aged Federal poverty level (about $1,200 in 2016). For those with 20 or fewer years of coverage, phase up linearly from 0 percent of the poverty level for 10 years of coverage to 100 percent of the poverty level. For those having between 20 and 40 years of coverage, phase up linearly from 100 percent of the poverty level at 20 years of coverage to 125% of the poverty level for 40 or more years of coverage. (c) For newly eligible workers in 2019 and 2020, index the applicable poverty level using the CPI index, to the year prior to eligibility. Then, for newly eligible workers in 2021 and later, index the PIA per year of coverage by wage growth for successive cohorts. (d) Disabled workers have a somewhat similar minimum benefit, with work requirements scaled based on the number of years of non-disabled potential work. Disabled workers have a somewhat similar minimum benefit amount.	-0.14	-0.24	-5%	-5%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

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Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
	Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B5.10 Reconfigure the special minimum benefit, phased in for retired and disabled workers newly eligible from 2024 through 2033: (a) A year of work (YOW) coverage is equal to earnings at or above $10,875 in 2017 (reflecting a full-time worker earning the federal minimum wage), adjusted thereafter for wage growth. (b) At implementation, set the minimum PIA at zero percent of AWI for those with 10 or fewer YOWs to 15 percent of AWI for those with 15 YOWs, increasing linearly so that it reaches 19 percent for 19 YOWs. Then the minimum PIA would jump up to 25 percent of AWI for those with 20 YOWs, increasing linearly so that it equals 35 percent of AWI for those with 35 or more YOWs. (c) Use the AWI for two years prior to the year of initial eligibility in the minimum PIA calculation with COLA increase after the year of initial eligibility. (d) Scale the YOW requirements for disabled workers, based on the number of years of non-disabled potential work.	-0.22	-0.40	-8%	-9%
B6.1 Provide a 5 percent increase to the monthly benefit amount (MBA) of any beneficiary who is 85 or older at the beginning of 2018 or who reaches their 85th birthday after the beginning of 2018.	-0.11	-0.16	-4%	-4%
B6.2 Provide the same dollar amount increase to the monthly benefit amount (MBA) of any beneficiary who is 85 or older at the beginning of 2018 or who reaches their 85th birthday after the beginning of 2018. The dollar amount of increase equals 5 percent of the average retired-worker MBA in the prior year.	-0.11	-0.16	-4%	-3%
B6.3 Provide an increase in the benefit level of any beneficiary who is 85 or older at the beginning of 2019 or who reaches their 85th birthday after the beginning of 2019. Increase the beneficiary's PIA based on an amount equal to the average retired-worker PIA at the end of 2018, or at the end of the year age 80 if later. Increase the beneficiary's PIA by 5 percent of this amount for those older than 85 at the beginning of 2019 and by 5 percent of this amount at age 85 for others, phased in at 1 percent per year for ages 81-85.	-0.14	-0.19	-5%	-4%
B6.4 Starting in 2018, provide a 5 percent uniform benefit increase 24 years after initial benefit eligibility. Phase in the benefit increase at 1 percent per year from the 20th through 24th years after eligibility. For disabled workers, the eligibility age is the initial entitlement year to the benefit. The benefit increase is equal to 5 percent of the PIA of a worker assumed to have career-average earnings equal to SSA's average wage index.	-0.16	-0.21	-5%	-5%
B6.5 Starting in 2020, provide a 5 percent uniform PIA increase 20 years after benefit eligibility. Phase in the PIA increase at 1 percent per year from the 16th through 20th years after eligibility. The full PIA increase is equal to 5 percent of the PIA of a worker assumed to have career-average earnings equal to the SSA average wage index.	-0.24	-0.31	-8%	-7%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

Category B: Level of Monthly Benefits (continued)

Current law shortfall in long-range actuarial balance is **2.83** percent of payroll and in annual balance for the 75th year is **4.48** percent of payroll.

	Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B6.6	Starting in 2024, provide a uniform PIA increase 23 years after benefit eligibility. Phase in the PIA increase at 0.5 percent per year from the 14th through the 23rd years after eligibility. The full PIA increase is equal to 5 percent of the average retired worker PIA in December of the 12th year after benefit eligibility. A similar additional PIA increase applies 42 years after benefit eligibility (age 104), phased in from the 33rd through the 42nd years after eligibility. For those past the 14th year of eligibility in 2024 (over age 76 for retirees), phase in the PIA enhancement over 10 years starting in 2024. Auxiliary beneficiaries receive benefit enhancement based on the PIA of the governing worker.	-0.21	-0.30	-8%	-7%
B6.7	Starting in January 2024, provide an addition to monthly benefits for all beneficiaries who have been eligible for at least 20 years, with the following specifications: (1) Augment benefits (not the PIA) for those of qualifying age and eligibility duration with a MAGI below about $25,600 if single and $51,200 if married. MAGI is set to equal the IRMAA definition (AGI plus tax-exempt interest income). Index these thresholds after 2024 by the increase in the C-CPI-U; (2) The full additional amount is applicable for those born 1958 and later, once 24 years elapse from initial eligibility. The basic additional amount is calculated as 5 percent of the PIA for a hypothetical worker with earnings equal to the AWI each year; (3) For those born prior to 1958, the full additional amount is multiplied by the number of years they have been affected by the C-CPI-U, divided by 24; (4) Beneficiaries will receive 20 percent of their additional amount in their 20th year after initial eligibility, 40 percent in their 21st year after initial eligibility,..., and 100 percent of their additional amount in their 24th and later years after benefit eligibility; (5) Retired and disabled worker beneficiaries, dually entitled spouse beneficiaries, and all survivor beneficiaries received their addition as described above. Spousal beneficiaries (aged or with child in care) and child beneficiaries of a living retired or disabled worker receive 50 percent of the additional amount described above. Other beneficiary types (such as parents of deceased workers) will receive the percentage of the flat benefit that equals the percentage of the insured worker's PIA that they receive; (6) The AWI used is for the second year prior to the beneficiary's initial eligibility year, with applicable COLAs applied up to the age when the addition is received; and (7) The additional amount is added to the monthly benefit after reductions for early claiming or increases for delayed claiming have been applied.	-0.07	-0.08	-2%	-2%
B7.1	Reduce benefits by 3 percent for those newly eligible for benefits in 2018 and later.	0.37	0.51	13%	11%
B7.2	Reduce benefits by 5 percent for those newly eligible for benefits in 2018 and later.	0.61	0.84	22%	19%
B7.3	Give credit to parents with a child under 6 for earnings for up to five years. The earnings credited for a childcare year equal one half of the SSA average wage index (about $24,682 in 2016). The credits are available for all past years to newly eligible retired-worker and disabled-worker beneficiaries starting in 2018. The 5 years are chosen to yield the largest increase in AIME.	-0.22	-0.32	-8%	-7%

Office of the Chief Actuary
Social Security Administration
Based on the 2017 Trustees Report Intermediate Assumptions

Category B: Level of Monthly Benefits (continued)

Current law shortfall in long-range actuarial balance is **2.83** percent of payroll and in annual balance for the 75th year is **4.48** percent of payroll.

Description of proposed provisions		Change from current law (percent of payroll)		Shortfall eliminated	
		Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
B7.4	Increase benefits by 2 percent for all beneficiaries as of the beginning of 2018 and for those newly eligible for benefits after the beginning of 2018.	-0.31	-0.34	-11%	-7%
B7.5	Increase benefits by 5 percent for all beneficiaries as of the beginning of 2018 and for those newly eligible for benefits after the beginning of 2018.	-0.78	-0.84	-27%	-19%
B7.6	Increase benefits by 20 percent for all beneficiaries as of the beginning of 2018 and for those newly eligible for benefits after the beginning of 2018.	-3.10	-3.36	-110%	-75%
B7.7	Reduce individual Social Security benefits if modified adjusted gross income, or MAGI (AGI less taxable Social Security benefits plus nontaxable interest income) is above $60,000 for single taxpayers or $120,000 for taxpayers filing jointly. This provision is effective for individuals newly eligible for benefits in 2022 or later. The percentage reduction increases linearly up to 50 percent for single/joint filers with MAGI of $180,000/$360,000 or above. Index the MAGI thresholds for years after 2022, based on changes in the SSA average wage index.	0.34	0.47	12%	10%
B7.8	Replace the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) with a revised reduction for most OASI benefits based on all earnings, beginning with beneficiaries newly eligible in 2024.	0.06	0.09	2%	2%
B7.9	Beginning for newly eligible retired workers and spouses in 2024, all claimants who are married would receive a specified joint-and-survivor annuity benefit (i.e., surviving spouses would receive 75 percent of the decedents' benefits, in addition to their own) that would be payable if both were still alive. Initial benefits would be actuarially adjusted to keep the expected value of benefits equivalent to what would otherwise be current law.	0.02	-0.21	1%	-5%
B7.10	Replace the current-law WEP with a new calculation for most OASI and DI benefits based on covered and non-covered earnings, phased in for beneficiaries becoming newly eligible in 2024 through 2033. For this new approach, compute a PIA based on all past earnings (covered and non-covered), and multiply by the non-covered earnings ratio. This ratio is equal to the current-law concept of the average indexed monthly earnings computed without non-covered earnings divided by a modified average indexed monthly earnings that includes both covered and non-covered earnings in our records.	0.03	0.06	1%	1%
B7.11	Beginning in January 2020, eliminate the retirement earnings test for all beneficiaries under normal retirement age, including retired workers, aged spouses, aged widow(er)s, young spouses with a child in care, young surviving spouses with a child in care, and children.	0.02	0.13	1%	3%
B7.12	Provide an option to split the 8-percent delayed retirement credit (DRC) to offer a lump sum benefit at initial entitlement equal to 2 percent of the 8 percent DRC earned, and a 6 percent DRC on subsequent monthly benefits, effective for workers newly entitled to retired worker benefits in 2020 and later. Widows are held harmless from the lump-sum decision.	-0.00	0.00	-0%	0%

Office of the Chief Actuary
Social Security Administration
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