Social Security Expansion Act Fact Sheet

Social Security is one of the most popular and successful government programs in the history of our country. For more than 80 years, through good times and bad, Social Security has paid out every benefit owed to every eligible American on time and without delay.

In 2016, Social Security lifted 22 million Americans out of poverty, including more than 15 million seniors. Before it was created in 1935, about half of our nation's seniors were living in poverty. Today their poverty rate is just 8.8 percent.

Yet, despite this success, tens of millions of seniors are still struggling to get by and many older workers fear that they will never be able to retire with security and dignity.

Today, one out of every five seniors are trying to survive on an income of less than $13,500 a year. And to make matters worse, about half of Americans 55 and older have zero retirement savings. Meanwhile, the average Social Security benefit is $1,342 a month.

Let's be clear: Social Security is not going broke. Social Security has a $2.9 trillion surplus in its trust fund and can pay every promised benefit to every eligible American until the year 2034. After that, the Social Security Administration estimates that there will be enough funding available to pay 79 percent of promised benefits.

Given this reality, our job is not to cut Social Security, as many of our Republican colleagues in Congress want to do. Our job is to expand Social Security and extend its solvency so that everyone in America can retire with the respect that they have earned and deserve after a lifetime of hard work. That's what the Social Security Expansion Act is all about.

The Social Security Expansion Act would:

- **Extend the solvency of Social Security for about 52 years to the year 2071** by requiring the wealthiest American households to pay their fair share of taxes. Today, because of the earnings cap on Social Security taxes, a CEO making $20 million a year pays the same amount of money into Social Security as someone who makes $132,900 a year. This legislation would lift this cap and subject all income above $250,000 to the Social Security Payroll tax. Under this bill, 98.2 percent of wage earners would not see their taxes go up by one penny.

- **Expand Social Security benefits across-the-board**. Under this bill, Social Security retirement benefits for low-income workers would go up by about $1,300 a year.

- **Increase Cost-Of-Living-Adjustments (COLAs)**. This bill would more accurately measure the spending patterns for seniors by adopting the Consumer Price Index for the Elderly (CPI-E). Older Americans, by and large, are not going out on spending sprees buying big screen TVs, laptops, or the latest high-tech gadgets. Rather, they spend a

disproportionate amount of their income on health care and prescription drugs and that would be reflected in the formula for calculating COLAs under this legislation.

- **Improve the Special Minimum Benefit for Social Security recipients**. This bill will help low income workers stay out of poverty by updating the Special Minimum Benefit to make it easier for them to qualify and by increasing and indexing the benefit level so that it is equal to 125 percent of the poverty line.

- **Restore student benefits** up to age 22 for children of disabled or deceased workers, if the child is a full-time student in a college or vocational school. This legislation restores student benefits that were eliminated in 1983 to help educate children of deceased or disabled parents.

- **Combine the Disability Insurance Trust Fund with the Old Age and Survivors Trust fund** to help senior citizens and persons with disabilities.