

The Eshoo-Larson Plan



The Social Security 2100 Act

Social Security is not an entitlement— it is insurance Americans have paid for to fund retirement, disability, and survivor benefits earned through a lifetime of work. Social Security helped build the middle class, it is the most dependable leg of the retirement stool, and it is our most effective anti-poverty program.

The Social Security 2100 Act builds on what makes Social Security great by improving upon the modest benefits Americans receive. This proposal will ensure that the system is able to pay 100% of the benefits you have earned into the next century.

The Social Security 2100 Act would:

- Expand benefits for all current and future Social Security recipients
- Cut taxes for over 10 million seniors
- Ensure the system remains solvent for the rest of the century¹

Expanding Benefits

Benefit bump for current and new beneficiaries – Provides an increase for all beneficiaries starting in 2018 that is the equivalent of 2% of the average benefit.

Protection against inflation – Improves the annual cost of living adjustment (COLA) formula to better reflect the costs incurred by seniors, helping those who spend a greater portion of their income on health care and other necessities. This formula—called CPI-E—is especially beneficial to older retirees and widows who are more likely to rely on Social Security benefits as they age.

Protection for low income workers – No one who paid into the system over a lifetime should retire into poverty. The new minimum benefit will be set at 25% above the poverty line and would be indexed to wages to ensure that the minimum benefit does not fall behind.

Tax cut for beneficiaries – Over 10 million Social Security recipients would see a tax cut. Presently, your Social Security benefits are taxed if you have non-Social Security income exceeding \$25,000 for an individual or \$32,000 for couples. This would raise that threshold to \$50,000 and \$100,000 respectively.

*“The National Committee... proudly endorses the ‘Social Security 2100 Act.’ This bill represents a bold step on behalf of seniors and all Americans by **strengthening and safeguarding Social Security** for future beneficiaries while at the same time making important improvements in the adequacy of the benefits the program provides.”*

Max Richtman, President/CEO of the National Committee to Preserve Social Security & Medicare



¹ Based on the independent analysis of the SS 2100 Act by SSA’s Chief Actuary that estimates it will keep the OASDI Trust Fund solvent beyond 2092.

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Strengthening the Trust Fund

50 cents per week to keep the system solvent. By gradually phasing in an increase in the contribution rate beginning in 2019, we could ensure the fund's solvency beyond the next 75 years. By 2042, workers and employers would pay 7.4% instead of 6.2% today. For the average worker, this would mean paying an additional 50 cents per week.

Have millionaires and billionaires pay the same rate as everyone else. Presently, payroll taxes are not collected on wages over \$128,400. This legislation would apply the payroll tax to wages above \$400,000, affecting just the top 0.4% of wage earners.

Addresses the Disability Insurance trust fund. The Disability Insurance (DI) program is a vital part of the Social Security system. However, the DI fund is projected to become depleted in 2028. The SS2100 Act would combine the Old-Age and Survivors Insurance (OASI) Trust Fund with the DI fund to create one Social Security Trust Fund.

“In recognition of a looming retirement income crisis, an increasing squeeze on middle class families, and rising income inequality, Representative Larson has introduced The Social Security 2100 Act, which is an important step in addressing all three.... We applaud Representative Larson for sponsoring such important, visionary legislation.”

Nancy Altman and Eric Kingston, Founding Co-Directors, Social Security Works

More information on the Social Security 2100 Act can be found on Rep. Larson's website at:

<https://larson.house.gov/social-security-2100>