

The promise to guarantee Social Security for all Americans must be kept. According to the Congressional Budget Office, the Social Security Trust Fund is scheduled to become insolvent in 2033 and cause an automatic 23% cut in benefits for all retirees. AMAC has crafted an approach to prevent this via measures designed to preserve and modernize Social Security.

1 **GUARANTEE AN ANNUAL INCREASE IN BENEFITS FOR ALL, WITH EMPHASIS ON THOSE WITH LOWER EARNINGS TO ENSURE THE PROGRAM STAYS TRUE TO ITS MISSION: KEEPING SENIORS OUT OF POVERTY.**

Ensure the annual cost-of-living adjustment (COLA) has a minimum increase of 1% to offset increasing costs for seniors, even in years where CPI is at or below zero.

Modify the current COLA methodology to increase benefits by the same dollar amount for all eligible beneficiaries, where the annual dollar increase is equal to the average benefit amount adjusted by inflation.

If Social Security benefits cannot be fully exempted from income taxation, increase the income thresholds for taxation of Social Security benefits to exempt middle-class seniors and index the levels for inflation.

2 **GUARANTEE ACHIEVING SOLVENCY AND ENSURE BENEFITS CONTINUE WITHOUT AUTOMATIC CUTS.**

Among other options, make relatively minor adjustments to benefit calculations for high earners that would result in program savings in the long-term. For example:

- Modify the primary insurance amount calculation so that more of the average indexed monthly earnings for retirees are moved to the lower percentage tiers (progressive price indexing).
- Increase the number of years of indexed earnings in the formula used to calculate the primary insurance amount (i.e., the full retirement base benefit).
- Increase the taxable maximum to ensure that 90% of workforce earnings are subjected to the FICA/SECA taxation.
- For those beneficiaries below the annual Social Security maximum, increase the benefit available to surviving spouses.

3 **GUARANTEE ALL EARNERS THE OPPORTUNITY TO CREATE MORE INCOME AVAILABLE AT RETIREMENT THROUGH WORK AND IMPROVED RETIREMENT SAVINGS PROGRAMS.**

Eliminate the Social Security Earnings test for early retirees who want to continue to work to be able to do so without having current benefits reduced between early and full retirement age.

Improve portability, transparency, and availability of 401k, IRA, and other retirement savings instruments to increase retirement income for current and future workers.