



# Social Security | What's Next and New Research

## Webinar

April 26, 2023



NATIONAL INSTITUTE ON  
Retirement Security

Reliable Research. Sensible Solutions.

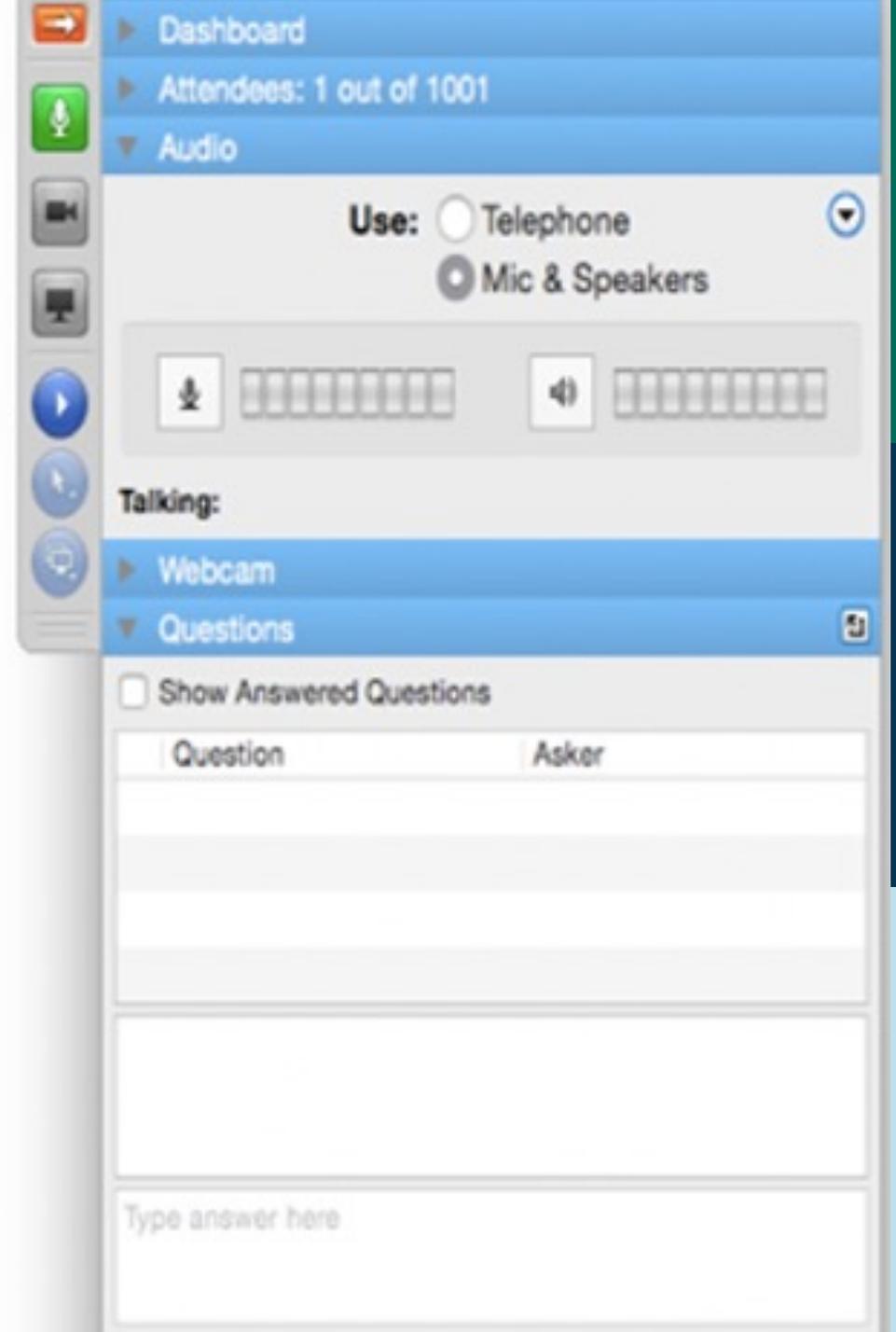
# Agenda

- Logistics and Introductions
- The State of Social Security
- New Research on Special Minimum Benefit
- Caregiving Credit
- Q&A



# Logistics

- Attendees in listen only mode.
- Questions are welcome. Submit using “Question” function on control panel
- Audio/technical issues during webinar: call GoToWebinar at 1-800-263-6316
- Webinar replay and slides will be posted at [nirsonline.org/events](http://nirsonline.org/events).



# Speakers



**Tyler Bond**

NIRS Research Director



**Joel Eskovitz**

AARP Public Policy Institute  
Director



**Joan Entmacher**

National Academy of Social  
Insurance Senior Fellow

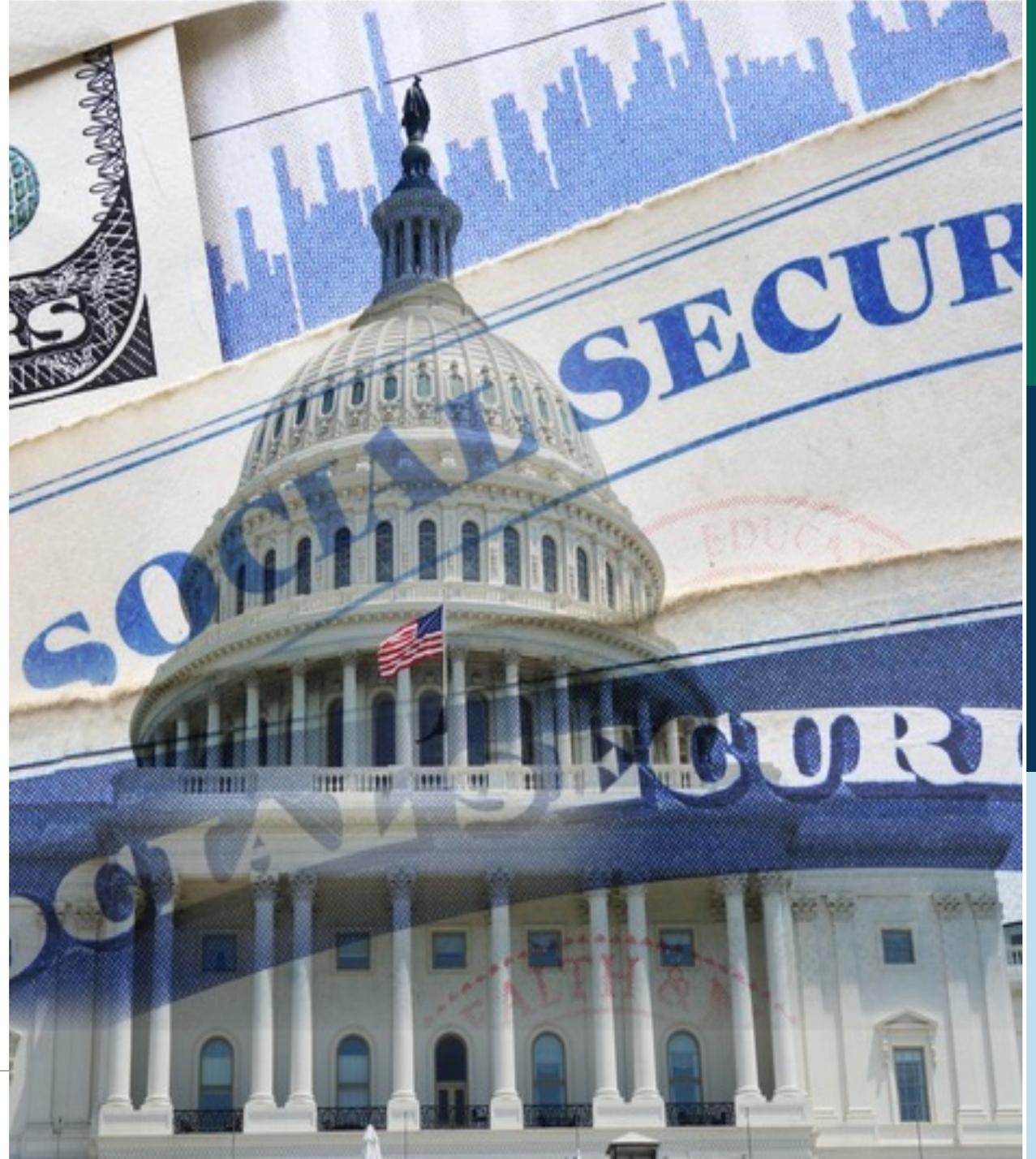
# State of Social Security

**Joel Eskovitz**

Director

AARP Public Policy Institute

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# Social Security Funding Status

## 2023 Trustees Report Just Released

- Program has enough in reserve to fully fund benefits through 2034
  - Beyond that, if no changes made, incoming tax revenue can only fund 80% of promised benefits
  - Long-term forecasts have remained relatively static in past few years, despite pandemic impacts and economic instability
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# Social Security Legislation

## How People Interact with the Program

- Appropriations
    - Funding for customer service continues to be challenging
    - More money this fiscal year but service challenges remain
  - Proposals to Influence Claiming Behavior
    - S 664 – More frequent mailed benefit statements
    - S 692 – Changing claiming age names
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# Social Security Legislation

## Reforming the Program – Expansion Approach

- SS Expansion Act (Sanders)
  - Lifts tax cap above 250K
  - Adds \$2,400 in annual benefits for all
  - CPI-E for COLA
  - Improved Special Minimum Benefit
  - Taxes investment income
  - 75 years of solvency

- Social Security 2100 (Larson)
  - Lifts tax cap above 400K
  - Adds 2% in benefits for all
  - CPI-E for COLA
  - Improved Special Minimum Benefit
  - Ends WEP/GPO, DI waiting period
  - 9 years of solvency

# Social Security Legislation

## Reforming the Program – Long-Term Approach

### King-Cassidy Efforts

- Sovereign Wealth Fund
  - Higher Retirement Age
  - More Benefits for the Poorest Recipients
  - Likely Reduced Benefits, especially for those with inconsistent work
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# Social Security Legislation

## Reform Efforts – Why We Are Still Treading Water?

- Still outside the 10-year window for Congress
  - Are we solving a long-term problem or staving off insolvency?
  - What is considered a benefit cut?
  - Do we believe everyone is living longer and therefore must work longer?
  - Is borrowing now a realistic approach in addition to changes on the tax and benefit side?
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# A Vanishing Benefit: Why Social Security's Special Minimum Benefit is Fading Away

**Tyler Bond**

Research Director

National Institute on Retirement Security

## A VANISHING BENEFIT

WHY SOCIAL SECURITY'S  
SPECIAL MINIMUM BENEFIT  
IS FADING AWAY



NATIONAL INSTITUTE ON  
Retirement Security  
Reliable Research. Sensible Solutions.

By Celia Ringland and Tyler Bond

March 2023

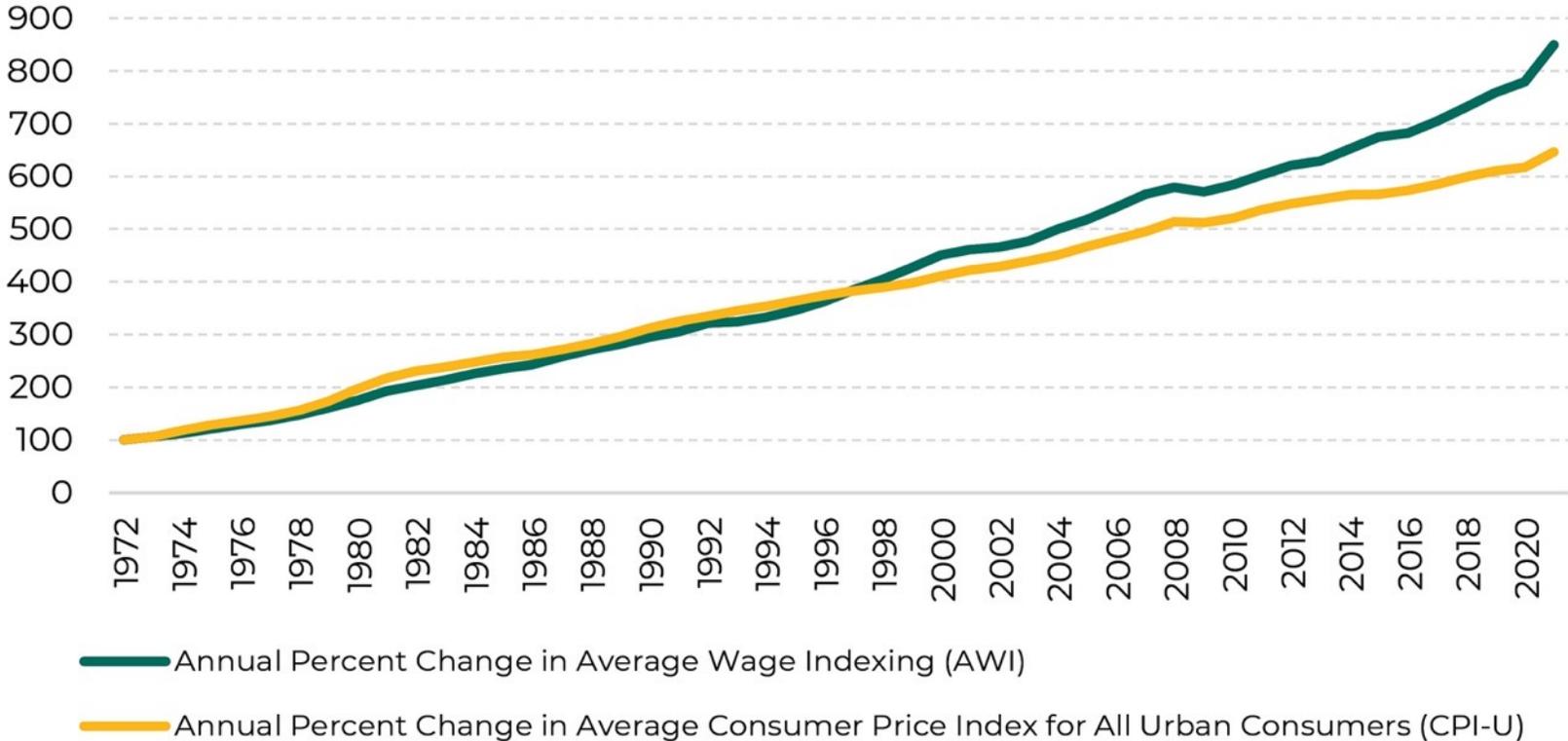
# What is the Special Minimum Benefit?

- Established in 1972
- Designed to provide a benefit “floor” for lifetime low-income earners
- The benefit is indexed to prices, rather than wages, so the value of the benefit has eroded over time
- Participation in the program has declined over time, and soon there will be no new benefit recipients for the special minimum benefit
- Various proposals exist to reform the minimum benefit indexing
  - An often-cited proposal would set the minimum benefit at 125% of the federal poverty level

# Wages Have Risen Faster Than Prices

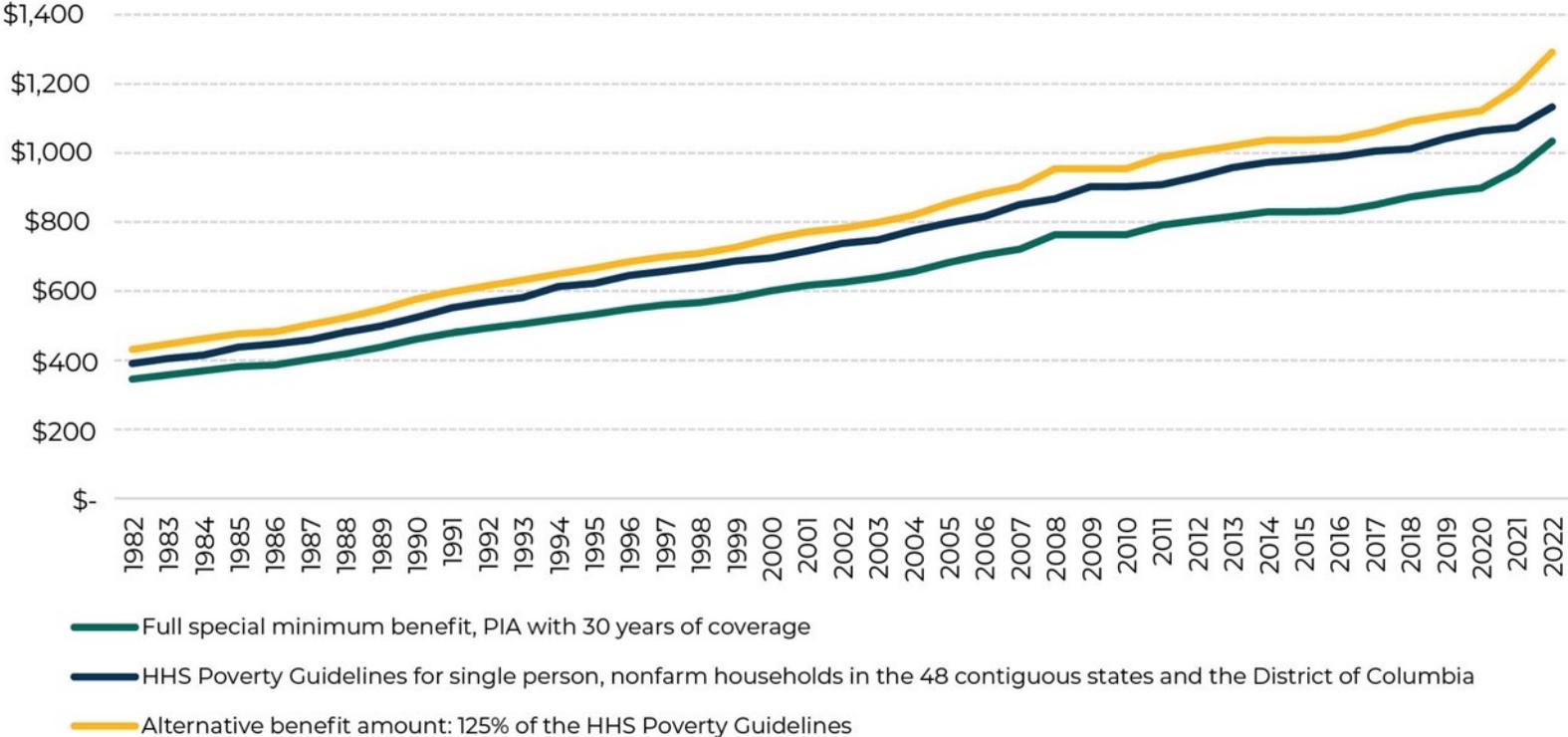
## Cumulative Change in Wage and CPI-U Indexing, 1972-2020

Index: 1972 = 100



# Changing the Index Could Help Alleviate Elder Poverty

Comparing the Special Minimum Benefit and the HHS Poverty Guidelines from 1982-2022 with an Alternative Benefit Proposal, on a Monthly Basis



# Credit for Caregiving in Social Security

**Joan Entmacher**

Senior Fellow

National Academy of Social Insurance

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# Why Credit Caregiving in Social Security

- Caregiving work is valuable, but often unpaid
  - Caregivers often sacrifice earnings, reducing their Social Security benefits
  - Changed family patterns mean fewer caregivers qualify for Social Security spousal benefits
  - Crediting caregiving work can improve retirement security and reduce gender and racial inequality
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# 3 Ways to Credit Caregiving

- Count some caregiving years toward the minimum benefit
  - Drop out some low-earning caregiving years from the average for the regular benefit formula
  - Impute earnings for some caregiving years in the regular benefit formula
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# Design Issues

- What types of caregiving are eligible (for young children/people with disabilities/frail elders)
  - How many caregiving years will be counted
  - What level of earnings will be imputed
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# Resources

- Alicia Munnell and Andrew Eschtruth. "Modernizing Social Security: Caregiving Credits." Center for Retirement Security at Boston College. August 2018. <https://crr.bc.edu/briefs-social-security/modernizing-social-security-caregiver-credits/>
  - Christian Weller and Derrick Hamilton. "More Retirement Security in an Unstable World: Expanding Qualifying Credit Options for Social Security Benefits." Public Policy and Aging Report 28(1). 2018. <https://doi.org/10.1093/ppar/pry017>
  - Joan Entmacher, Mikki Waid and Benjamin Veghte. "Overcoming Barriers to Retirement Security for Women: The Role of Social Security." National Academy of Social Insurance. December 2016. [https://www.nasi.org/wp-content/uploads/2016/12/SS\\_Brief\\_49.pdf](https://www.nasi.org/wp-content/uploads/2016/12/SS_Brief_49.pdf)
  - John Jankowski. "Caregiver Credits in France, Germany and Sweden: Lessons for the United States." Social Security Bulletin 71(4). 2011. <https://www.ssa.gov/policy/docs/ssb/v71n4/v71n4p61.html>
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# Questions

