Improving Social Security for Women
A Legislative Update

Eleanor's Hope
Women's Health and Retirement Security

The National Committee to Preserve Social Security and Medicare has a long history of defending the Social Security program from attempts to cut benefits and erode its value as a universal program that enjoys the support of millions of Americans. At the same time, we have fought to improve the program by strengthening and modernizing it for future generations.

In May 2012, the National Committee released *"Breaking the Social Security Glass Ceiling: A Proposal to Modernize Women's Benefits"* (Prepared by the National Committee to Preserve Social Security and Medicare Foundation, the National Organization for Women Foundation, and the Institute for Women's Policy Research). The report stressed the importance of Social Security to women, how the role of women in society has evolved since the inception of Social Security in the 1930's, and offered proposals improving the program to meet the needs of today's women. The report is still important today since the inequalities faced by women continue to threaten their retirement security because…

- Women have generally worked for lower wages because of persistent gender wage discrimination, leading to a smaller Social Security benefit.
- Women often interrupt their participation in the labor force to provide care to other family members, usually children and elderly parents or relatives. These temporary interruptions can lead to a significant reduction in the amount of a woman's Social Security benefit.
- Women are less likely to have a pension, and even if they do have pension income it is likely to be less than what men receive for the same reasons their Social Security benefit is often smaller.
- Women live longer than men and consequently are more likely to outlive their retirement savings.

> *"The battle for the individual rights of women is one of long standing and none of us should countenance anything which undermines it."*
> *– Eleanor Roosevelt*

In 2014 the National Committee inaugurated its Eleanor's Hope campaign, which highlighted and amplified the recommendations made in the 2012 Glass Ceiling report.

Other organizations, advocates and think tanks are aligned with the National Committee in focusing on the critical importance Social Security plays in the lives of millions of Americans, especially elderly women, and have joined in promoting measures to strengthen benefits in ways that help women live with dignity and independence as they age. Even more importantly, members of Congress have begun to translate these proposals into legislation, introducing several bills to improve benefits.

This paper is intended to highlight those bills and, where available, provide updated cost estimates associated with these proposals.[1]

PROPOSALS TO IMPROVE BENEFITS FOR WOMEN – CONGRESSIONAL ACTION SINCE OUR MAY 2012 REPORT

NCPSSM PROPOSAL: IMPROVE SURVIVOR BENEFITS

Increase the benefit paid to a surviving spouse to an amount that is equal to 75 percent of the total combined benefits that were paid to the couple prior to the spouse's death, capped at the benefit level of a lifelong average earner.

Senator Patty Murray (D-WA) has included the following provision in S. 2293, the "Retirement and Income Security Enhancements (RAISE) Act," introduced November 17, 2015:

The RAISE Act provides an alternative benefit for surviving spouses that would equal 75 percent of the sum of the survivor's own worker benefit and the deceased worker's benefit. If the deceased worker died before becoming entitled, the amount is computed based on what the deceased worker would have received at age 62.

NCPSSM PROPOSAL: CAREGIVER CREDIT

Compute the Social Security benefit by giving an annual caregiver credit for each year of caregiving so that total earnings for the year would equal 50 percent of that year's average annual wage. Caregiving service years would be those in which an individual provides care to children under the age of six or to elderly or disabled family members. Up to five family service years could be granted to any worker.

Representative Nita Lowey (D-NY) introduced H. R. 3377, the "Social Security Caregiver Credit Act of 2015" on July 29, 2015, and Senator Chris Murphy (D-CT) introduced similar legislation, S. 2721, on March 17, 2016:

Amends the Social Security Act to credit prospectively individuals serving as caregivers of dependent relatives with deemed wages for up to five years of such service. Credits an annual wage of not less than 50 percent of that year's average wage as a credit to individuals who leave the workforce or diminish their participation in it to provide care to certain family members for at least 80 hours without monetary compensation.

NCPSSM PROPOSAL: IMPROVE THE SPECIAL MINIMUM BENEFIT

Improve the Special Minimum Benefit by:

1) *Increasing the benefit to equal 150 percent of the aged poverty level for workers with 30 years of credit;*
2) *Reducing the wages required to receive a year of credit toward the minimum benefit to the amount required for four Social Security credits;*
3) *Indexing future increases in the minimum benefit to growth in wages rather than the Consumer Price Index;*
4) *Providing up to ten family service years of credit toward the computation of the benefit; and*
5) *Increasing the Supplemental Security Income (SSI) general income exclusion to $100 and adjusting it in future years for inflation.*

This proposal has been introduced by Representative John Larson (D-CT) and Senator Richard Blumenthal (D-CT) (H.R. 1391/S. 1904, the "Social Security 2100 Act," introduced March 17, 2015) and Senator Bernie Sanders (I-VT) (S. 731, the "Social Security Expansion Act," introduced March 12, 2015).

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NCPSSM PROPOSAL: CONSUMER PRICE INDEX FOR THE ELDERLY

Adopt the Consumer Price Index for The Elderly CPI-E for the purpose of determining the amount of the cost-of-living adjustment (COLA) adjustment for Social Security benefits.

This proposal has been embraced by Representative John Larson (D-CT) and Senator Richard Blumenthal (D-CT) (H.R. 1391/S. 1904, the "Social Security 2100 Act," introduced March 17, 2015), Senator Mazie Hirono (D-HI) and Representative Ted Deutch (D-FL) (S. 960/H.R. 1811, the "Protecting and Preserving Social Security Act," introduced April 15, 2015), Representative Peter DeFazio (D-OR) (H.R. 1984, the "Fair Adjustment and Income Revenue (FAIR) for Social Security Act," introduced April 23, 2015), and Senator Bernie Sanders (I-VT) (S. 731, the "Social Security Expansion Act," introduced March 12, 2015):

Directs the Bureau of Labor Statistics of the Department of Labor to prepare and publish for each calendar month a Consumer Price Index for Elderly Consumers (CPI-E) that indicates changes over time in consumption expenditures typical for individuals in the United States age 62 or older. Amends the Social Security Act to make the CPI-E the Consumer Price Index for computation of cost-of-living increases in Social Security benefits.

NCPSSM PROPOSAL: RESTORE THE STUDENT BENEFIT

Reinstate benefits for children of disabled or deceased workers until age 22 when the child is attending a college or vocational school on a full-time basis.

Senator Patty Murray (D-WA) has included the following provision in S. 2293, the "Retirement and Income Security Enhancements (RAISE) Act," introduced November 17, 2015:

Under current law, minor children under the age of 18, and high school students under age 19 are entitled to benefits if they are the child of a retired, disabled, or deceased worker. Beginning in 2016, this provision extends benefits for full-time students until the age of 23 if they are a child of a retired, disabled or deceased worker.

NCPSSM PROPOSAL: INCREASE THE BASIC BENEFIT

Increase the basic benefit of all current and future beneficiaries by five percent of the average benefit (approximately $55 per month).

This proposal has been introduced by Representative John Larson (D-CT) and Senator Richard Blumenthal (D-CT) (H.R. 1391/S. 1904, the "Social Security 2100 Act," introduced March 17, 2015) and Senator Bernie Sanders (I-VT) (S. 731, the "Social Security Expansion Act," introduced March 12, 2015):

Adjust the method by which the basic Social Security benefit is calculated, resulting in an across-the-board benefit increase for newly-eligible Social Security beneficiaries, when fully phased in, of about $70 per month. The increase will be phased-in beginning in 2021, with full implementation completed in 2035.

OPTIONS FOR STRENGTHENING SOCIAL SECURITY'S FINANCING – CONGRESSIONAL ACTION SINCE OUR MAY 2012 REPORT

The 2015 Social Security Trustees Report reflects the resilience of the Trust Funds, with full benefits under current law payable until 2034. The Social Security Trust Funds are considered to be in long-range balance when the income to the Funds exceeds expenditures over 75 years. When income does not meet expenditures in the long run, there is a shortfall, or deficit. Income, expenditures and balances are expressed in both dollars and as a "percent of payroll," meaning the percent of all wages and self-employment income subject to taxation that is projected to be earned by Americans over the 75-year period. The 2015 report finds that the combined OASDI Trust Fund has an actuarial deficit equal to 2.68 percent of payroll.

In our May 2012 report, we not only proposed benefit improvements for women, we offered options for strengthening the financing of the program to extend the solvency of the Trust Funds and to make our proposals affordable. The following National Committee proposals for strengthening Social Security's financing have been introduced in Congress.

NCPSSM PROPOSAL: ELIMINATE THE CAP ON SOCIAL SECURITY PAYROLL CONTRIBUTIONS

Bills have been introduced by Senator Mazie Hirono (D-HI) and Representative Ted Deutch (D-FL) (S. 960/ H.R. 1811, the "Protecting and Preserving Social Security Act," introduced April 15, 2015) and Representative Peter DeFazio (D-OR) (H. R. 1984, the "Fair Adjustment and Income Revenue (FAIR) for Social Security Act," introduced April 23, 2015) to phase out the cap on taxable earnings.

H.R. 1391/S. 1904, the "Social Security 2100 Act," introduced by Representative John Larson (D-CT) and Senator Richard Blumenthal (D-CT) on March 17, 2015, would apply payroll taxes to wages above $400,000. S. 731, the "Social Security Expansion Act," introduced by Senator Bernie Sanders (I-VT) on March 12, 2015, would apply payroll taxes to wages above $250,000.

CONCLUSION

These proposals represent a straightforward, common sense approach to addressing Social Security inequality for the women of America. We applaud the members of Congress who have embraced our recommendations and introduced these legislative proposals. We believe these proposals merit the highest consideration from the appropriate committees and encourage their enactment. This will not only ensure that current beneficiaries, including our mothers and grandmothers, have adequate benefits, but will also protect beneficiaries in the future – our daughters and granddaughters – against retirement, disability and survivorship risks.

PROPOSALS TO IMPROVE SOCIAL SECURITY BENEFITS FOR WOMEN

Proposal	Introduced by	Cost as a Percent of Taxable Payroll [2]
1. Improving Survivor Benefits	Sen. Patty Murray (D-WA) – S. 2293	+0.11
2. Providing Social Security Credits for Caregivers	Rep. Nita Lowey (D-NY) - H.R. 3377, Sen. Christopher Murphy (D-CT) - S. 2721	+0.22
3. Enhancing the Special Minimum Benefit	Rep. John Larson (D-CT) - H.R. 1391, Sen. Bernie Sanders (I-VT) - S. 731	No Estimate Available
4. Strengthening the COLA	Rep. John Larson (D-CT) - H.R. 1391, Sen. Mazie Hirono (D-HI) - S. 960, Rep. Peter DeFazio (D-OR) - H.R. 1984, Sen. Bernie Sanders (I-VT) - S. 731	+0.38
5. Restoring Student Benefits for Children of Deceased or Disabled Workers up to Age 22	Sen. Murray – S. 2293	+0.09 (S.2293)
6. Improving the Basic Benefit of all Current and Future Beneficiaries	Rep. John Larson (D-CT) - H.R. 1391, Sen. Bernie Sanders (I-VT) - S. 731	+0.75
7. Improving Benefits for Disabled Adult Children	Not introduced	No Estimate Available

[1] Source: Social Security Administration's Office of the Actuary.

2 These costs reflect estimates included in correspondence from the SSA Actuary to Senator Tom Harkin (March 18, 2013), Representative Gwen Moore (March 29, 2013), and Senators Mark Begich and Patty Murray (June 10, 2014). They also include estimates contained in the compendium: "Summary of Provisions That Would Change the Social Security Program" dated July 18, 2014, as well as an updated version of the same document dated January 20, 2016. Lastly, the estimate for proposal 6 is from the National Academy of Social Insurance, *Fixing Social Security: Adequate Benefits, Adequate Financing*, published in October 2009. These estimates are the newest available.