NRLN
NATIONAL RETIREE
LEGISLATIVE NETWORK

Funding Social Security Is Essential to Keeping America's Promise

9/25/2023

Talking Points

Addressing the obligation of ensuring Social Security for current and future retirees, members of Congress must recognize that first and foremost **Social Security is not a welfare program paid for by the U.S. Government**. The current 67 million Social Security beneficiaries and their former employers have paid into the Social Security Trust that was created in 1935.

Social Security is funded by payroll taxes and cannot add a penny to the federal debt. Social Security cannot pay benefits unless it has sufficient income to cover the cost. It can't borrow money.

The Social Security Old-Age and Survivors Insurance (OASI) Trust Fund will only be able to pay 100% of total scheduled benefits until 2033, according to the 2023 Trustees report. At that time, reserves will be depleted and program income will only be sufficient to pay 77% of benefits.

The NRLN believes the **long-term funding of Social Security should be considered on its own** and not become entangled in the deliberations on the debt ceiling and to reduce the nation's deficit.

The NRLN opposes the House Majority 175-Member Study Committee Fiscal Year 2024 Budget proposal to raise the full Social Security retirement age. Those now age 59 would see an increase in the retirement age of three months per year beginning in 2026. The retirement age for full benefits would reach 69 for those who turn 62 in 2033. Now full benefits can be received at age 67.

The NRLN contends that **raising the retirement age diminishes lifetime benefits**. While some are willing to work more years, individuals who have worked in physically demanding jobs and/or have health issues **may not be capable of extended years of labor**.

No benefits have been added to the Social Security other than Cost of Living Adjustments (COLA) since 1961.

The NRLN supports switching from CPI-W to CPI-E for the calculation of COLA. CPI-E is the Consumer Price Index for Americans 62 years of age and older. While both CPI-W and CPI-E measure the same goods and services, CPI-E factors in around 11% of its index for healthcare cost. The CPI-W only counts 5.6% of the overall index as healthcare expenses.

The number of Americans 65 and older will increase from about 58 million in 2022 to about 75 million by 2035. Current and past Administrations and Congresses have known this fact and have done nothing to prepare for them since the last round of Social Security funding changes in 1983.

Social Security's funding gap should be closed – but not by cutting its benefits. The NRLN supports closing the funding gap through a modest increase (possibly between 0.5% and 1.5%) in the current payroll tax rate of 6.2% for employees and 6.2% for employers and make all wages subject to the tax which is currently $160,200 a year in 2023.

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