



Senator Hutchison's Defend and Save Social Security Act

The Problem:

Demographic Changes Are Severely Impacting Social Security

- 1935: 42 workers supported 1 retiree
- 1955: 9 workers supported 1 retiree
- 2011: 3 workers support 1 retiree
- 2035: 2 workers will support 1 retiree

Why Social Security Reform Cannot Wait

- According to the projections made by the Trustees' 2011 report, Social Security trust fund assets will be fully exhausted by 2036.
- Under current law, retirees will have their Social Security benefits cut by 23 percent in approximately 25 years. In today's dollars that would mean an average cut of \$271 per month.
- The unfunded obligation of the Trust Fund over the 75-year period is \$6.5 trillion, an unprecedented \$1.1 trillion increase from projections made just one year ago.

Senator Hutchison's Solution:

Key Reforms of Defend & Save Social Security Act

- Gradually raises the Normal Retirement age to 67 by 2019, 68 by 2023, and 69 by 2027.
- Gradually raises the Early Retirement Age to 63 by 2019 and 64 by 2023.
- Slows the growth in benefits by lowering the annual cost of living adjustment by one percent or about \$11 dollars per month, as opposed to an average reduction of \$271 per month if nothing is done.
- Does not affect anyone who is currently 58 years old or older.
- DOES NOT RAISE TAXES.
- DOES NOT CUT CORE BENEFITS.

Key Results of Defend & Save Social Security Act

- Establishes a fully safe and secure Social Security system that will make good on its promises to all retirees by restoring confidence in currently near bankrupt program.
- Eliminates entire Trust Fund shortfall, defending seniors from the coming automatic 23 percent benefits cut in 2036.
- Decreases deficits by \$416 billion over the next 10 years.
- Reduces publically held debt by \$7.2 trillion by 2085.
- Saves Social Security for future generations.