



REPUBLICAN CAUCUS

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## SOCIAL SECURITY & THE DRACONIAN DO-NOTHING PLAN

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Social Security helps fulfill the promise of retirement security for millions of America’s seniors. Serving a critical component of the “three-legged stool” for retirement (along with personal investments and employer pensions), Social Security is in dire need of reform in order to make good on the promises made to current and future beneficiaries. Social Security’s own actuaries continue [to warn](#) of its unsustainable growth, with a \$5.4 trillion unfunded liability and cash deficits that will soon become permanent.

Left on its present course, beneficiaries will face a 22% across-the-board benefit cut when the Social Security Trust Funds are exhausted. According to the [2010 Social Security Trustees Report](#), median income-earners now approaching retirement will receive benefit cuts in excess of \$4,000. Even those who are currently on Social Security – those now 62 and older – may experience indiscriminate cuts in benefits at a time when they are increasingly reliant on the program.

Lost in the heated rhetoric against reform efforts is the real pain that will be inflicted on seniors if we continue to cling to this unsustainable status quo, as detailed in the following table:

The High Cost of Waiting		
Current Age (in 2010)	Age at Trust Fund Exhaustion (est. 2037)	First Year’s Expected Benefit Cut
55	82	<b>\$4,089</b>
56	83	<b>\$4,082</b>
57	84	<b>\$4,013</b>
58	85	<b>\$3,939</b>
59	86	<b>\$3,867</b>
60	87	<b>\$3,815</b>
61	88	<b>\$3,747</b>
62	89	<b>\$3,709</b>

Source: [Social Security Administration 2010 Trustees’ Report](#) - impact of scheduled 22% across-the-board benefit cut for those in and near retirement

Congressman Paul Ryan has invited his colleagues to join his effort to advance solutions to avert these painful disruptions for those in and near retirement. Ryan’s plan – [A Roadmap for America’s Future](#) – makes no changes in benefits for those 55 and older, while offering modest, sensible reforms going forward so this program can fulfill its mission for future generations. Among its provisions, Ryan proposes a gradual increase in the retirement age and a modest reduction in the continued growth in benefits for higher-income earners. The Roadmap not only

protects, but actually *increases* benefits for lower-income workers, ensuring that the safety net is strengthened for those most reliant on this critical program. Social Security's Chief Actuary [confirms](#) that Ryan's Roadmap makes this program "sustainably solvent" and averts the pain of continued inaction.

Those committed to the weaponization of entitlement reform condemn future *and current* beneficiaries to indiscriminate and painful cuts. The "do-nothing-but-demagogue plan" offers the truly draconian future. Social Security can be put on a sustainable path with no disruptions for those in and near retirement – but it will require taking the Social Security Trustees seriously, when they [tell](#) Congress that "[w]ith informed discussion, creative thinking, and timely legislative action, present and future Congresses and Presidents can ensure that Social Security continues to protect future generations."

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- To learn more about Congressman Paul Ryan's invitation to advance specific solutions to avert the shredding of the safety net: <http://www.americanroadmap.org>
  - To read the Social Security Administration actuarial analysis of Ryan's Roadmap: [http://www.house.gov/budget\\_republicans/press/2007/pr20100427ssascore.pdf](http://www.house.gov/budget_republicans/press/2007/pr20100427ssascore.pdf)
  - To read the Congressional Budget Office's analysis of Ryan's Roadmap: <http://www.cbo.gov/ftpdocs/108xx/doc10851/01-27-Ryan-Roadmap-Letter.pdf>
  - To read the Social Security Trustees' current outlook for Social Security: <http://www.ssa.gov/OACT/TR/2010/index.html>
  - To read the Congressional Budget Office's current long-term budget outlook: <http://www.cbo.gov/ftpdocs/115xx/doc11579/06-30-LTBO.pdf>