

AMERICAN ACTION  
**F O R U M**

# Social Security Reform in Context

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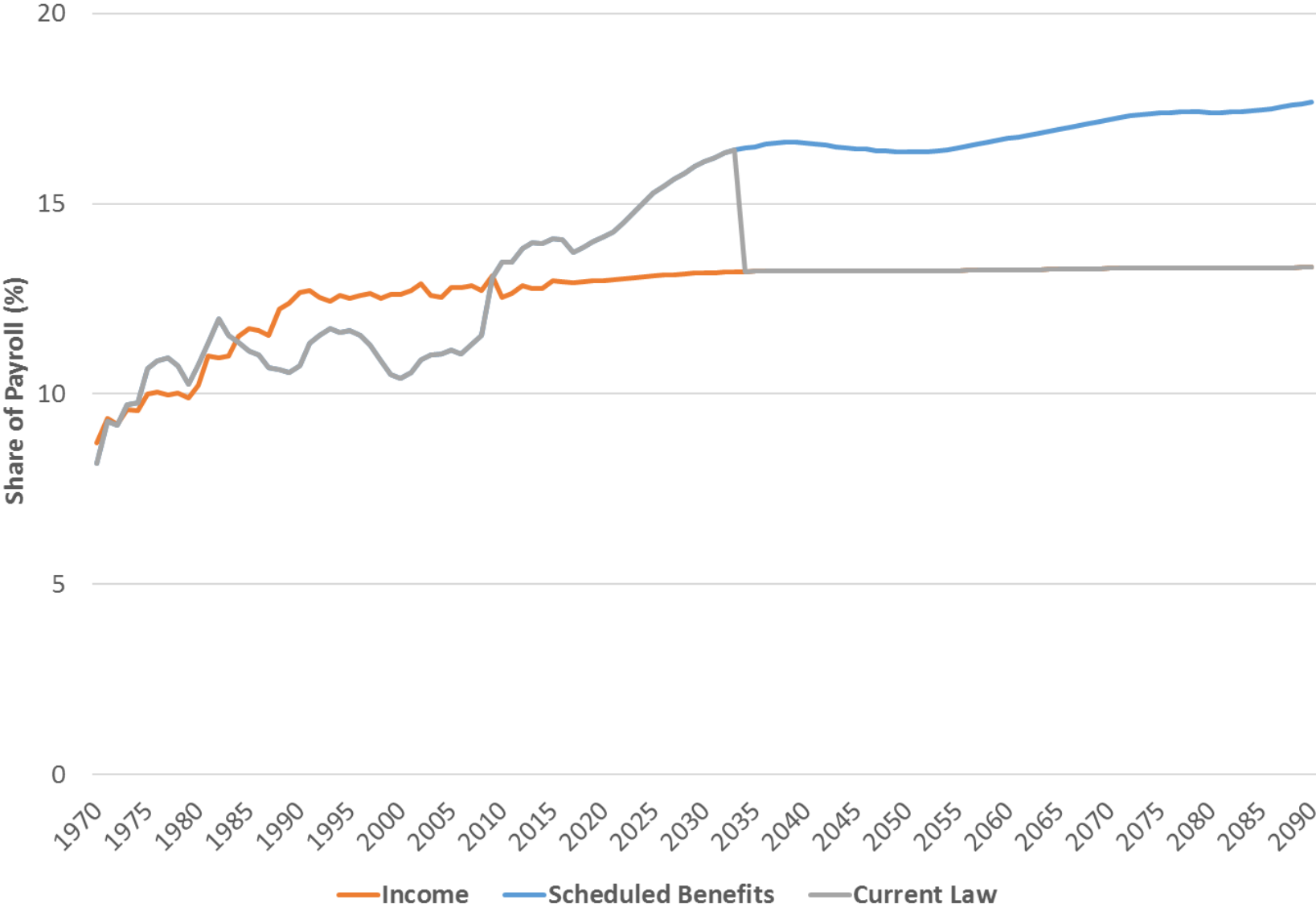


The Most Fundamental Question Observers  
Should Ask:

Compared to What?



# Outlook for Social Security



# Current Law: OASDI Trust Fund Exhausted in 2034

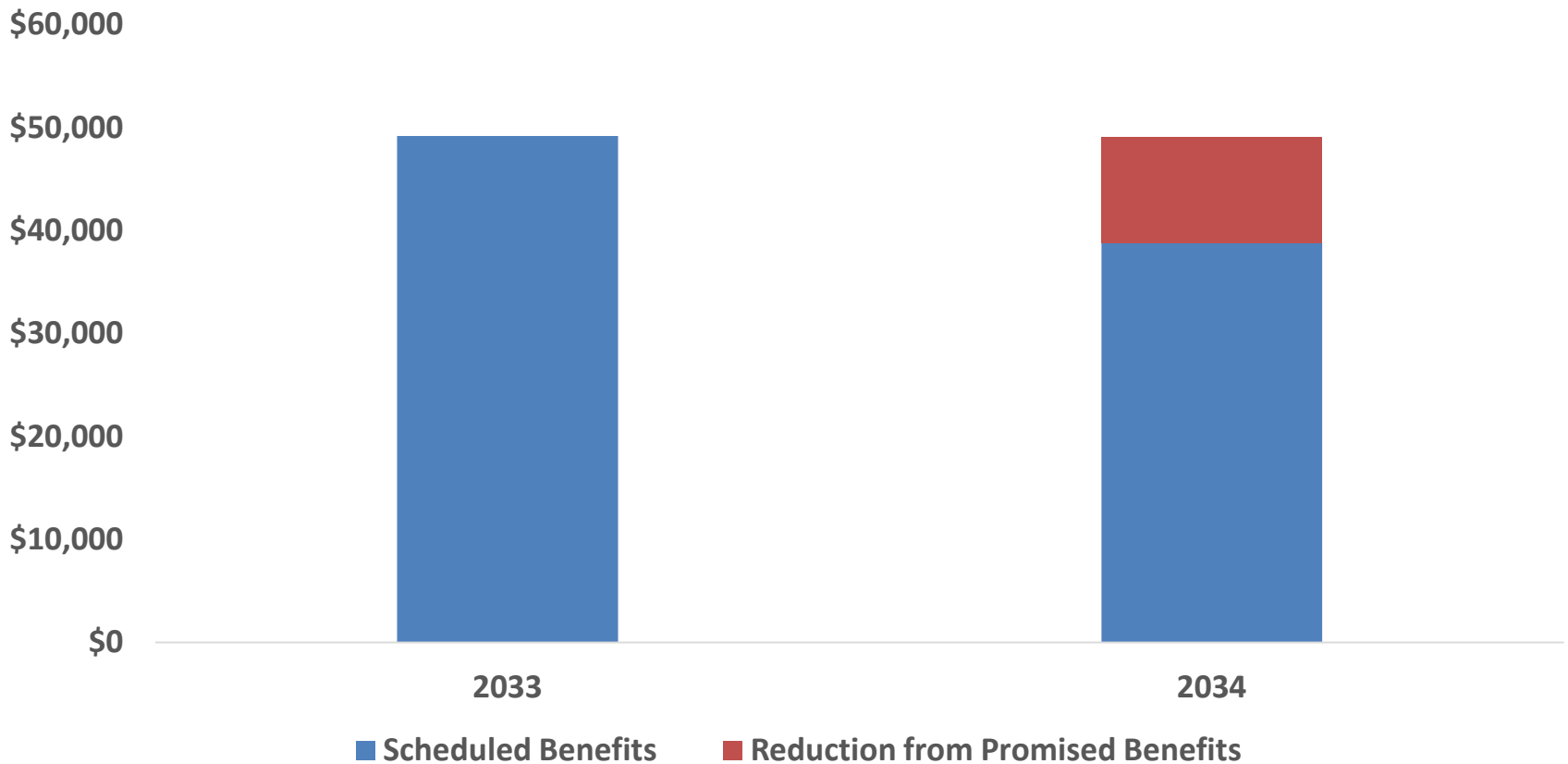
- 21 Percent – Reduction in Benefits in 2034
  - After the projected exhaustion of the Social Security Trust Funds, Social Security revenue will fund only 79 percent of promised benefits.
  - This deteriorates further, to 74 percent, by 2090

# Current Law: OASDI Trust Fund Exhausted in 2034

- 21 Percent – Payroll Tax Increase
  - Absent reform, to meet promised benefits over the long-term payroll taxes would have to be immediately increased by 20.8 percent, from a rate of 12.4 percent to 14.98 percent

# Is This a “Cut?”

Retiree in 2033



# Or is This?

## Retiree in 2033

