



**A comparison between Center for American Progress proposal to modernize and strengthen Social Security and the proposals by the National Committee for Fiscal Commission Reform and Alice Rivlin and Pete Domenici of the Bipartisan Policy Center**

Proposal	Center for American Progress		Fiscal Commission		Rivlin/Domenici	
	Included	Impact on the Social Security deficit	Included	Impact on the Social Security deficit	Included	Impact on the Social Security deficit
<b>Summary measures</b>						
Net revenue increases		64%		43%		96%
Total slower benefit growth		37%		89%		55%
Total benefit enhancements		-22%		-16%		-12%
Improved returns to trust funds		23%				
<b>Raising the cap on earnings subject to payroll taxes</b>						
Eliminate cap on employer share of payroll tax	Yes	58%	No		No	
Raise cap to 90 percent of earnings	No		Yes	35%	Yes	31%
<b>Other revenue</b>						
Include newly hired state and local government workers	No		Yes	8%	Yes	8%
Phase out tax exclusion for employer-sponsored insurance	No		No		Yes	48%
Tax all voluntary salary reduction plans beginning in 2012	No		No		Yes	11%
Tax all voluntary salary reduction plans (for employers only)	Yes	6%	No		No	
Tax provisions	No		No		Yes	-2%
<b>Improve return on trust funds</b>						
Invest 25 percent of the trust funds in broad equity markets index	Yes	23%	No		No	
<b>Benefit enhancements</b>						
Create antipoverty level benefit	Yes	-7%	Yes	-8%	Yes	-5%
Improve survivorship benefits	Yes	-3%	No		No	
Streamline divorce benefits	Yes	-3%	No		No	
Increase benefits by a fixed dollar amount at age 85	Yes	-5%	Yes	-8%	Yes	-7%
Add caregiving benefit	Yes	-5%	No		No	
Greater flexibility in claiming benefits	No		Yes	0%	No	
Ensure Social Security equality for same-sex married couples	Yes	0%	No		No	
<b>Slower benefit growth</b>						
Gradually phase in progressive changes to benefit formula for top third of beneficiaries	Yes	12%	No		No	
Gradually phase in progressive changes to benefit formula for top half of beneficiaries	No		Yes	45%	No	
Gradually phase in progressive changes to benefit formula for top quarter of beneficiaries	No		No		Yes	4%
Improve the inflation measure for calculating annual cost-of-living adjustments	Yes	25%	Yes	26%	Yes	26%
Raise retirement age to 69 by 2075	No		Yes	18%	No	
Index benefits to longevity	No		No		Yes	25%

Note: The impact of the Center for American Progress proposal on Social Security's deficit is based on numbers from the 2009 Trustees Report. The effect of the National Committee on Fiscal Responsibility and Reform and the Alice Rivlin and Pete Domenici proposal are based on more recent estimates from the 2010 Trustees Report, which are not yet publicly available. The differences are small. The estimated actuarial deficit amounted to 2.0 percent of payroll for the next 75 years in 2009 and to 1.92 percent of payroll in 2010. The difference between the two underlying sets of assumption also is reflected in the differences of the total effects. The Center for American Progress proposal totals to 100 percent of the estimated shortfall in 2009, while the Fiscal Commission proposal totals to 112 percent and the Rivlin/Domenici proposal adds to 129% of the estimated shortfall. The components in this table do not necessarily add to these totals due to rounding and due to omitted interactive effects. Part of this difference may also be explained in the different sizes of the underlying shortfalls, 2 percent of payroll in 2009 compared to 1.92 percent in 2010.