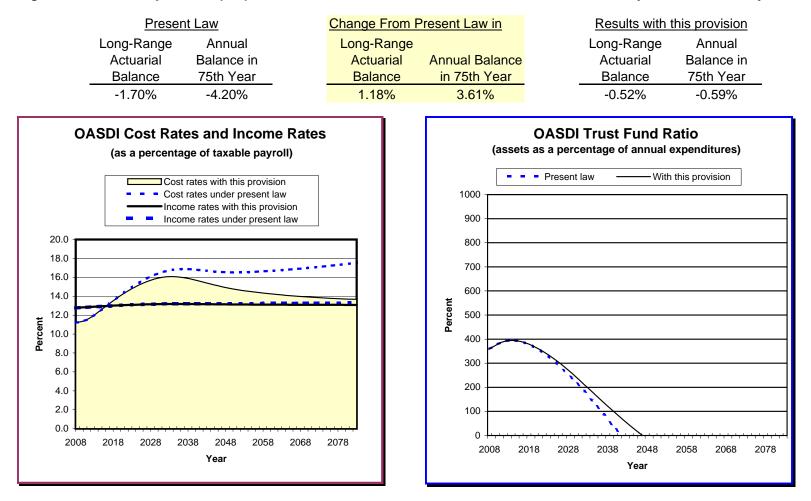
Summary Measures and Graphs Category of Change: Level of Monthly Benefits (PIA)

Proposed Provision: Progressive price indexing of PIA formula factors beginning with individuals newly eligible for OASI benefits in 2015. Create new bend point at the 30th percentile of earners. Maintain current-law benefits for earners at the 30th percentile and below and reduce upper 2 formula factors (32% and 15%) such that maximum worker benefit grows by inflation rather than the growth in average wages. Disability benefits are not affected by the proposal. Disabled worker beneficiaries, upon attaining normal retirement age, would be subject to a proportional reduction in benefits based on the worker's years of disability.



Office of the Chief Actuary, Social Security July 16, 2008