



## **Social Security Enhancement and Protection Act** **Congresswoman Gwen Moore**

**Background:** There is broad agreement that we need to take steps to improve the fiscal outlook for Social Security. But there is limited public awareness of another equally-important reality: it's not just that we need to extend the solvency of the system—we need to improve it so it works better for vulnerable populations, including women, people of color, and low-income people. Congresswoman Moore's legislation would enhance benefits and help us ensure that Social Security does what it was intended to do: protect all older Americans from the risk of living in poverty.

**Congresswoman Moore's bill would improve Social Security coverage/benefits for women, people of color, and low-income people in three key ways:**

- 1) Updating the Special Minimum Benefit to 100% of poverty.** People who have had low-wage jobs for their whole lives are more financially at risk when they reach retirement. To make up for this problem, in 1974 Congress set a "Special Minimum Benefit" designed to increase the adequacy of benefits by setting a floor below which the full monthly benefit may not fall for beneficiaries with long-term work experience. But today, only a tiny population of beneficiaries receives it because it has not kept up with wage growth. Only about one-fifth of one-percent of Social Security beneficiaries receive benefits based on the special minimum.
  - Congresswoman Moore's bill would increase the Special Minimum Benefit to pay 100% of the poverty threshold, for those who have worked at least 30 years under Social Security, and claimed their benefits when they reached full retirement age.
  - This benefit will be phased down proportionally to allow access for workers with fewer than 30 but more than 10 years of work.
  - This legislation would also allow child care credits, so that the years in which a parent has a young child could count as a year of coverage for Social Security benefits. A parent could receive a child care credit year for each year when a child under age 6 is present in the home, up to a maximum of 5 years (which would count toward the 30 years required to be eligible for the full Special Minimum Benefit).

**2) Increasing benefits 20 years after becoming eligible for retirement.** People who live beyond the age of 85 are more likely to be financially vulnerable, even with Social Security. They may have exhausted their savings by this point, or have more serious health problems that have been a drain on their finances, or have faced any number of financial strains.

- Congresswoman Moore’s bill would provide additional security by increasing benefits for all beneficiaries 20 years after retirement by a uniform amount equal to 5% of the average retired worker benefit in the prior year.
- This benefit would be phased in 1% each year, after beneficiaries hit 16 years of eligibility, until beneficiaries hit the full 5% increase 20 years after they begin receiving benefits.

**3) Reinstating the student benefit.** Social Security benefits are paid to children whose working parent has died, become disabled, or retired. Currently, these benefits are paid until age 18—but from 1965 to 1981, students were eligible to receive those benefits until age 26 if they were enrolled in college or vocational schools. Research demonstrated that this benefit was particularly helpful and high-impact for students of color and for low-income families with parents working higher-risk, blue-collar jobs. This benefit has also been disproportionately helpful to women, as they are often the one left to raise the children and help put them through college if the father is deceased or disabled.

- Congresswoman Moore’s bill would restore the student benefit for children of deceased and disabled workers up to age 26 as long as they are enrolled in college or vocational schools. The benefit would only be reinstated for children of deceased and disabled workers.

**Congresswoman Moore’s legislation would pay for the three reforms described above using the following revenue raisers:**

- 1) Eliminate the cap on Social Security payroll contributions (“scrap the cap”).** Social Security payroll contributions are capped at \$142,800 in 2021 for higher-wage earners.
  - Congresswoman Moore’s bill would phase out this cap, allowing us to generate substantial additional revenue for the Social Security system towards eliminating the Social Security shortfall, while at the same time enhancing benefits for these key populations.
- 2) Gradually raise the Social Security contribution rate for employers and employees each by 1/20 of 1 percent a year (over 6 years from 6.2 to 6.5 percent). For an average earner, this increase would be about 50 cents a week.**