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**Committee on Finance**

**United States Senate**

**Hearing on**

# "Social Security: Is a Key Foundation of Economic Security Working for Women?"

**Statement of**

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**on behalf of**

**the American Academy of Actuaries**

**December 9, 2014**

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Chairman Wyden, Senator Hatch, and distinguished members of the Senate Finance Committee, thank you for the opportunity to testify on the issue: "Social Security: Is a key foundation of economic security working for women?" My name is Janet Barr. I am a consulting actuary specializing in retirement practice and I am representing the American Academy of Actuaries, where for the past several years I have been the chairperson of its Social Security Committee.

The Academy is the nonpartisan professional association representing all actuaries in the United States. Our mission is to serve the public and the actuarial profession by providing independent and objective actuarial information, analysis, and education to help in the formation of sound public policy.

Social Security provides benefits on a gender-neutral basis. Nevertheless, gender-related differences in the American work culture, family structure, and longevity have meant that, in reality, Social Security provides different levels of retirement security for women and men. In this testimony, I discuss women and Social Security in four sections:

1. Gender-related factors that can cause differences in the adequacy of retirement benefits between men and women.
2. Principles upon which Social Security was built that provide a framework for discussing changes to Social Security and how the changes impact women.
3. An example of how Social Security's spousal benefit is currently impacting women.
4. A discussion of individual changes that have been considered for Social Security reform and how those changes might impact women because of the different gender-related factors.

## 1. Gender-Related Factors That Affect Adequacy of Retirement Benefits

In general, Americans' Social Security benefits are based on their average indexed earnings in their 35 highest-paid years. Social Security's rules are gender neutral, so that a woman who retires with the same average lifetime earnings as a similarly situated man will receive the same monthly benefit. However, some of the program's rules have a different impact on women because the average woman's work history is not the same as that of the average man.

**Women are more likely than men to be out of the workforce or to have breaks in employment.** Even with the narrowing gender gap in the rates of labor force participation, women often leave temporarily or permanently for pregnancy, child care, and other family care responsibilities. As a result, women tend to have shorter work histories and thus smaller Social Security benefits than men.

**Table 1**

| Percentage of U.S. Men and Women in the Workforce | | | | |
|---|---|---|---|---|
| | 2004[1] | | 2013[2] | |
| Ages | Women | Men | Women | Men |
| 25 – 54 | 75% | 91% | 74% | 89% |
| 55 – 64 | 56% | 69% | 59% | 70% |

**Women on average earn less than men.** For benefits based on their own earnings records, the average woman will receive lower Social Security benefits than the average man with the same number of years of covered earnings due to differences in earnings.

The average covered wage reported to the Social Security Administration for women ages 25 to 34 years was 55 percent in 1980. That percentage for the same age group had risen to 73 percent by 1993. In 2011, the average covered wage reported to the Social Security Administration was $39,500 for men and $29,250 for women, giving a ratio of women's earnings as a percentage of men's of 74 percent.[3]

Despite gains in education, professional and managerial jobs, and business ownership, women have not achieved wage parity with men.

**Women live longer on average than men and so will need more assets in retirement.** Because women on average live longer than men, their time in retirement will be longer, and thus will need income for a longer period of time than the average man. In addition, since women generally have less wealth and income from other sources, these resources will have to be spread out over a longer expected lifetime. Thus, Social Security benefits are a more significant component of women's retirement security. Consider:

- The average life expectancy at age 65 is about 18 years for males and 20 years for females.[4]
- Recently released 2014 tables of mortality for men and women receiving single-employer pensions project life expect at age 65 at 21.6 years for men and 23.8 years for women.[5]
- In addition, most married women have older spouses.[6]

[1] U.S. Bureau of Labor Statistics, *Monthly Labor Review*, November 2005, Table 5.
[2] U.S. Bureau of Labor Statistics, Women in the Labor Force: A Databook, May 2014, Table 11.
[3] Social Security Administration, "Actuarial Note 135," Table 5. 2011 amounts are rounded and calculated from the table at http://www.socialsecurity.gov/policy/docs/statcomps/eedata_sc/2011/table01.html.
[4] Society of Actuaries, "Impact of Retirement Risk on Women, 2013 Risks and Process of Retirement Survey Report."
[5] Assumes 2014 age 65 cohort with mortality improvement using Scale MP-2014. Page 52 of the RP-2014 Mortality Tables Report found at https://www.soa.org/Research/Experience-Study/pension/research-2014-rp.aspx.
[6] Husband and wife ages from Tables 1.2 and 1.3 at http://www.socialsecurity.gov/policy/docs/statcomps/income_pop55/2012/sect01.html.

**Table 2**

| | Husbands | | Wives | |
|---|---|---|---|---|
| All Husbands | Age 62-64 | Age 65+ | Age 62-64 | Age 65+ |
| % with spouse age 55 -61 | 60.4% | 14.5% | 18.0% | 3.8% |
| % with spouse age 62-64 | 29.0% | 14% | 28.4% | 3.2% |
| % with spouse age 65 or older | 10.6% | 72.5% | 53.6% | 92.9% |

- As a result, elderly women are more likely to become widows and not have a spouse to assist them financially. They also face health and long-term care costs alone or with the help of relatives.[7]
- 30 percent of elderly women (but only about 23 percent of elderly men) depend on Social Security for more than 90 percent of their family income.[8]
- The nationwide trend of decreasing defined-benefit plan coverage also means that one of the primary retirement security tools is further eroded for women. In 2005, 44 percent of men received a pension payment compared with 29 percent of women.[9]

**Women are more likely than men to be single, widowed, or divorced in retirement.** Widow(er)s can continue to be eligible for survivor benefits based on their deceased spouse's earnings if they remarry after age 60. Widow(er)s who remarry prior to age 60 are not eligible for widow(er)s benefits. Those who have been divorced before 10 years of marriage are not eligible for spousal benefits and not entitled to survivor benefits at the divorced spouse's death.

- Women are more likely than men to be unmarried.

**Table 3**

| Percent Married by Age Group[10] | | |
|---|---|---|
| Age Group | Women | Men |
| 65 – 74 | 47% | 71% |
| 75 – 84 | 29% | 67% |
| 85 and older | 12% | 49% |

- Data on 2012 Social Security beneficiaries by sex and marital status tells a similar story.

**Table 4**

| Marital Status of 2012 Social Security Beneficiaries | | | | |
|---|---|---|---|---|
| | Married | Widowed | Divorced | Never Married |
| Men | 72% | 12% | 9% | 4% |
| Women | 45% | 55% | 38% | 4% |

[7] 2013 Risks and Process of Retirement Survey Report."
[8] Amounts are calculated from Table 5.B7 at http://www.socialsecurity.gov/policy/docs/statcomps/income_pop55/2012/sect05.html#table5.b7.
[9] EBRI Fast Facts: Pension, Annuity Income: Differences between Men and Women (March 2007). Based on the March 2006 Current Population Survey, conducted by the U.S. Census Bureau. - See more at: http://www.ncpssmfoundation.org/DetailsPage/tabid/92/ArticleID/5/The-Gender-Gap-in-Pension-Coverage.aspx#sthash.salRCgq3.dpuf.
[10] U.S. Census Bureau, "2013 American Community Survey," Table B12002.

- In 2013, more women at ages 75 to 84 were widowed (39 percent), compared with married (29 percent), divorced or separated (10 percent), and never married (4 percent).[8]
- The poverty rates for never-married women over age 65 are some of the highest for any subgroup in the country. For example, while the poverty rate for a married couple (over 65) is only 4.2 percent, the poverty rate for a single woman is 20.3 percent.[11]

This combination of factors means that the average woman has a higher risk of having insufficient income or depleting savings in her retirement years.

## 2. Principles Upon Which Social Security Was Based

Social Security was designed based on two competing principles, **individual equity** and **social adequacy**. The balance between these two elements has been maintained to varying degrees since Social Security first began. Many attribute the popularity and success of the program to the fact that there is a balance between these two important principles. It is helpful to discuss the impact of reform proposals on women with an understanding of these principles.

The term **individual equity** has traditionally been used to describe the savings or investment aspects of the program where investment, as I use it here, is defined as putting money to use with an expectation of income in return. If individual equity were the sole objective of the program, benefit levels might have been directly related only to contribution levels. For example, a retiring worker with twice the accumulated contributions of another similarly situated worker might receive twice the old-age benefit.

The term **social adequacy** has traditionally been used to characterize the benefit adequacy and social insurance aspects of the program. If social adequacy were the sole objective, benefits might have been set at the same level for all workers, regardless of earnings and contribution levels. Benefits might not have been payable until the occurrence of certain risk-based events.

The current system provides for **individual equity** in important ways:

- Receipt of benefits is based on a worker's age and employment history prior to disability or retirement, without regard to need.
- The benefit formula provides additional benefits to workers with higher earnings or longer working careers who have paid more into the system than someone with lower earnings or a shorter working career.
- Social Security taxes are not progressive, with the same tax rate being paid by workers (and their employers and the self-employed) whether they have high (but less than the taxable wage base) or low earnings.
- The maximum taxable wage base limits the amount of Social Security taxes an individual will have to pay but also limits the amount of benefits that an individual can accrue.

[11] Social Security Administration, "Marital Status & Poverty Fact Sheet," October 2013.

The current system also serves the demands of **social adequacy**:

- The relative amount of the benefit is skewed to favor lower-paid employees. A worker's benefit is determined by his or her indexed career-average earnings replacing 90 percent of the first tier of earnings, 32 percent of the next tier of earnings, and 15 percent of remaining earnings. Lower-wage workers thus receive larger benefits relative to their contributions than higher-wage workers.
- Earnings are indexed to help insure that initial Social Security benefits incorporate changes in living standards over a worker's career.
- Benefits after retirement are indexed for inflation to help ensure that the purchasing power of Social Security benefits does not decrease significantly during retirement.
- Workers who live longer are subsidized by workers with shorter lifespans, similar to how insurance company annuities and life insurance products function.
- Workers who do not become disabled subsidize workers who do, similar to how a disability income insurance product operates.
- Workers who retire without dependent family members subsidize workers who retire with dependent family members.

The individual equity features of Social Security affect men and women similarly. Many of the social adequacy features help mitigate but do not eliminate the gender-related retirement adequacy issues for women discussed previously. Below are some examples of how Social Security addresses these issues.

- By skewing the amount of the benefit to favor lower-paid employees, Social Security addresses the benefit adequacy of a working insured woman with lower average wages due to periods out of the workforce.
- By paying spousal benefits based on an insured worker's earnings, Social Security addresses the fact that women are more likely to be out of the workforce.
- Spousal and widow benefits are a major source of income for Social Security women beneficiaries. From 1960 to 2005, approximately 60 percent of women beneficiaries received a benefit at least partly based on the record of their spouse or previous spouse.[12]
- The Social Security formula provides proportionately greater benefits (as a percentage of career average earnings) to women who on average have lower average wages than men.
- The cost-of-living increases provided by Social Security benefit women proportionately more than men since on average women live longer. They allow for an adequate retirement income even after a long period of retirement.
- Benefits are payable to divorced spouses to whom an insured worker was married at least 10 years, without any reduction in benefits to the worker or to other family members.
- If a worker dies before becoming eligible for retirement, but was fully insured at death, Social Security pays benefits to the worker's spouse and dependent children. As a result of spousal and survivor benefits, women with low earnings or little work history can still receive Social Security benefits based on the insured spouse's earnings history.

[12] Chart 1 at http://www.socialsecurity.gov/policy/docs/ssb/v67n4/67n4p1.html.

The median family Social Security benefit provided to men and women in 2012 by age group is shown in the chart below:

**Table 5**

| Median Family 2012 Social Security Benefit provided to Men and Women by Age Group[13] | | |
|---|---|---|
| Age Group | Men | Women |
| 65-69 | $ 20,000 | $ 19,595 |
| 70-74 | 23,998 | 20,027 |
| 75-79 | 22,997 | 17,399 |
| 80 or older | 20,399 | 15,599 |

The social-adequacy features of Social Security benefit all Americans since they provide a form of insurance against the adverse financial effects associated with the uncertainties of life. The individual equity features allow the system to be seen as fair to all Americans and take away some of the risks of providing retirement income. Proposals for reform often involve a trade-off between individual equity and social adequacy.

## 3. An Example of How Social Security's Spousal Benefit Is Currently Impacting Women

When the current benefit structure was set up, the traditional roles of men in the family as primary wage earners and women as primary child care providers were well established. Social Security provides the highest benefits relative to contributions to married couples with a primary wage earner, usually the husband, and with dependent children. As one of the social adequacy design features, the current system allocates benefits disproportionately (relative to taxes) to one-earner couples compared with two-earner couples and single people.

There can be significant differences in retirement benefits and surviving spouse benefits for families with the same earnings histories and payroll tax contributions, but with different splits of earnings between the spouses.

- One-earner households receive a higher benefit from Social Security than two-earner couples with the same total household earnings.
- The survivor of a two-earner couple receives a smaller survivor benefit than the survivor of a one-earner couple with the same total earnings.
- Compared to a one-earner household, the survivor of a two-earner couple may receive no additional benefits, even though he or she may have worked for many years and contributed payroll taxes to the program.

[13] http://www.ssa.gov/policy/docs/statcomps/income_pop55/2012/sect05.html#table5.b2.

- In the case of a two-earner couple where the primary earner has the same income as the one-earner couple, the secondary earner's benefit is only marginally higher than if she or he did not work at all.
- Stated differently, the bullets above mean that the secondary earner's income is effectively taxed at a higher rate than the primary earner's income.

As women have increasingly assumed roles as heads of families or as primary or co-equal wage earners in their families, situations frequently arise where Social Security provides lower benefits for the same contributions, or requires significantly higher contributions with little, if any, increase in benefits compared to the "traditional" family with one male earner.

Social Security provides a spousal benefit equal to 50 percent of the worker's benefit while the worker is alive, and generally 100 percent after the worker's death, provided that the spouse is not entitled to a higher benefit based on his or her own earnings history. The table below provides an example of the impact on Social Security benefits based on different family circumstances.

**Table 6**

Impact on Social Security Benefits of Different Family Circumstances[14]

| | One-earner couple | Two-earner couple with equal total earnings | Two-earner couple with equal primary earners |
|---|---|---|---|
| Spouse A earns | $50,000 | $25,000 | $50,000 |
| Spouse B earns | $0 | $25,000 | $25,000 |
| Annual Social Security Tax of 6.2% | $3,100/year | $3,100/year | $4,650/year |
| Total monthly benefit at retirement | $1,770 spouse A + $885 spouse B ($2,655 total) | $1,120 spouse A + $1,120 spouse B ($2,240 total) | $1,770 spouse A + $1,120 spouse B ($2,890 total) |
| Total monthly benefit to survivor | $1,770 | $1,120 | $1,770 |

As more women continue in the workforce and earn higher wages, more will have retirement benefits greater than 50 percent of their spouses' benefit, so the spousal benefit will be provided to a declining proportion of women. However, as long as women continue to earn less on average than men, their retirement benefits will be less on average than their spousal benefit, so the survivor benefit of 100 percent of the higher wage earners' benefit will continue to apply for a high percentage of women.

[14] Benefit Estimates are rounded and assume both spouses are age 66 and retired in 2014, discounting earnings for years prior to 2014 using National Average Earnings assuming earnings begin at age 18.

# 4. How Individual Changes to Social Security Might Impact Women

There have been many recent proposals to restore the financial soundness of the Social Security program within the current benefit and investment structure. The intent of this section is to provide an analysis of some of the individual options and their impact on women. Our discussion of the options has been separated into: i) options that address challenges faced by women, followed by ii) options that address Social Security's funding challenges, which also impact women because of gender-related factors.

## *Options that Address Challenges Faced by Women*

**Modify the Computation Period for Benefits:** Social Security currently uses a 35-year averaging period in the formula for calculating a benefit. If a worker is out of the workforce to care for family members for a period of years, his or her Social Security Benefit is adversely affected by those years with zero earnings. To address this issue, one reform option is to impute, or credit, income for a certain number of years of child care. Another option is to reduce the 35-year period for every year of child care. This latter approach is already in use, to a limited extent, for disabled individuals where the 35-year average might be reduced to 30 years. One of these options could be combined with the elimination of the spousal benefit to offset some of the financial impact of an increase in benefits.

**Enhance Benefits for Low Earners with Long Careers:** A proposal from the 2001 President's Commission to Strengthen Social Security would protect low-income workers, disproportionately women, against poverty by guaranteeing that an individual who worked at least 30 years at the minimum wage would retire with an income of between 100 percent and 120 percent of the poverty line. This proposal would shift the balance toward social adequacy and away from individual equity, but is different from a true minimum with no years of earnings requirement.

**Change Spousal Benefits:** A proposal from the 1994-1996 Advisory Council on Social Security would reduce the 50-percent spousal benefit to 33 percent and would increase survivor benefits for two-earner couples to 75 percent of the total benefit paid to them when both were alive (or 100 percent of either worker's benefit if greater). Please see an example comparing this proposal to current law at the top of the following page.

This proposal would also make it more likely that working spouses will be entitled to retirement benefits solely on their own work records, rather than as spousal benefits. However, it does reduce the benefits to low-earning and nonworking women to 33 percent of the benefit of the working spouse. This could be particularly problematic for divorced women, who have the highest poverty rate of the elderly. One possible remedy would be to split the benefits 50/50, just as pensions are divided upon divorce in some states. Such a remedy, of course, would reduce the benefit of the higher-wage earner and his or her subsequent spouse(s) and family, if applicable.

**Example comparing the 1994-1996 Advisory Council on Social Security Spouse proposal to benefits based on current law**

**Advisory Council Proposal Spousal Benefit:** 33 percent of insured worker benefit

**Advisory Council Proposal Widow(er) Benefit:** 75 percent of the total benefit paid when both spouses were alive (or 100 percent of either worker's benefit if greater)

**Table 7**

| Advisory Council Proposal | | | |
|---|---|---|---|
| | One-earner couple | Two-earner couple with equal total earnings | Two-earner couple with equal primary earners |
| Spouse A earns | $50,000 | $25,000 | $50,000 |
| Spouse B earns | $0 | $25,000 | $25,000 |
| Total benefit at retirement | $1,770 spouse A + $590 spouse B (Total $2,360) | $1,120 spouse A + $1,120 spouse B (Total $2,240) | $1,770 spouse A + $1,120 spouse B (Total $2,890) |
| Total benefit to survivor | $1,770 | $1,680 | $2,168 |

**Current Law Spousal Benefit:** 50 percent of insured worker benefit

**Current Law Widow(er) Benefit:** 100 percent of insured worker benefit

**Table 8**

| Current Law[15] | | | |
|---|---|---|---|
| | One-earner couple | Two-earner couple with equal total earnings | Two-earner couple with equal primary earners |
| Spouse A earns | $50,000 | $25,000 | $50,000 |
| Spouse B earns | $0 | $25,000 | $25,000 |
| Total monthly benefit at retirement | $1,770 spouse A + $885 spouse B ($2,655 total) | $1,120 spouse A + $1,120 spouse B ($2,240 total) | $1,770 spouse A + $1,120 spouse B ($2,890 total) |
| Total monthly benefit to survivor | $1,770 | $1,120 | $1,770 |

[15] Benefit Estimates are rounded and assume both spouses are age 66 and retired in 2014, discounting earnings for years prior to 2014 using National Average Earnings assuming earnings begin at age 18.

**<u>Earnings Sharing</u>:** Under an earnings-sharing proposal, the spousal benefit would be eliminated. Instead, a couple's earnings would be added together and split evenly each year. This would help dual-earner couples in which both spouses have substantial (but unequal) employment histories, and divorced women – especially those who were married for less than 10 years. However, married households in which only one spouse has a substantial employment history, and which currently receive spousal benefits for little or no additional tax contributions, would be adversely affected. This proposal would also reduce the benefits of workers who shared their earnings, and then divorced after retirement.

## *Options that Address Social Security's Funding Challenges*

**<u>Modify the Computation Period for Benefits</u>:** Most proposals would phase-in a change to the 35-year averaging period to help improve Social Security's financial condition and to encourage people to work for more years. For example, current proposals would increase the averaging period from 35 to 38 or 40 years. In general, this option could affect women disproportionately, if additional years add lower-paid or zero years into the calculation of the average earnings upon which the benefit is based. The effect on benefits of an increase to 38 years would depend on the worker's earnings history but would reduce scheduled benefits, on average, by about 3 percent.

**<u>Reduce Benefits Across the Board</u>:** One proposal would reduce all Social Security benefits by 3 percent. This reform option is consistent with individual equity but can be seen as hurting social adequacy. Such a change would have a greater impact on women because of their longer life expectancy and greater reliance on Social Security relative to other types of retirement income.

**<u>Change the Benefit Formula</u>:** There are several approaches to changing the benefit formula. One would reduce the formula percentages (90%, 32% and 15% for the three tiers of earnings) each year by a constant factor – for example, 1 percentage point per year. Such a change would maintain individual equity but would gradually reduce benefit adequacy, particularly for low-wage earners, and would have a greater impact on women. Reducing only the percentages applicable to the higher-wage levels, the 32% and 15% levels but not the 90% level, would shift the balance toward social adequacy by maintaining program adequacy for very-low-wage earners.

A similar proposal involves indexing the earnings tiers in the Social Security benefit formula to the generally slower changes in the Consumer Price Index (CPI), as compared to the wage index. This has the effect of gradually reducing the benefit below current law levels. Initially, this proposal would affect the highest earners the most, but it eventually could lead to a large shift in the balance between individual equity and social adequacy.

**<u>Increase the Full Retirement Age</u>:** The full (unreduced) retirement age is the earliest age at which full benefits are payable and currently ranges from ages 66 to 67, according to the worker's year of birth. Benefits before the full retirement age may begin as early as age 62, but such benefits are permanently reduced to make lifetime benefits approximately actuarially equivalent, regardless of retirement age. Increasing the full retirement age as life expectancy increases is a means for solving the system's financial problems by reducing benefits relative to current law and encouraging healthy workers with jobs to continue to work. Adopting this reform hurts benefit adequacy for those who cannot find or continue in employment in older ages.

**Lower COLAs:** Social Security benefits increase each year by a cost-of-living adjustment (COLA) equal to the annual change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI). Some economists think the CPI overstates the real annual rate of inflation by an estimated 0.3 percentage points because of indirect product substitution where some goods and services with prices that have increased are substituted with goods and service with prices that have decreased (chained CPI).

However, the cost of living of the elderly does not change at the same rate as the CPI because the elderly not only consume a different mix of goods and services than the population as a whole, but they may be less willing to substitute as product prices change.

A lower COLA is cumulative over time and the reduction in benefits disproportionately affects the oldest elderly, a group consisting of mostly women and having the highest rate of poverty.

**Increase the Payroll Tax:** The tax rate for Social Security is 12.4 percent, split equally between employers and employees or the full amount paid by self-employed. Increases to the tax rate provide a hardship to lower-paid workers in meeting current needs but would provide increased retirement benefits relative to current law. Women on average fall into this category. An increase in the payroll tax rate would decrease individual equity since lower-paid workers contribute a higher portion of their total income to Social Security, but it would increase social adequacy since they would also receive higher retirement income relative to current law.

The impact of the change can be mitigated if the payroll tax increase is phased in over a sufficiently long period and if incomes for women are rising. For example, increasing the payroll tax rate by 0.1 percentage points per year for a sufficiently long period would improve Social Security finances while the after-tax income of workers could continue to increase. This scenario would require real wage increases over the same period. However, the costs of other social insurance programs that benefit women, particularly Medicare and Medicaid, are increasing much more rapidly and will also require additional funding in the future unless eligibility and/or benefits are reduced.

**Increase the Limit on Taxable Earnings**: In 2012, about 83 percent of earnings in covered employment were below the 2012 limit on taxable earnings of $110,100.[16] This limit also applies to earnings taken into account in the benefit formula. One proposal is to raise the earnings limit gradually so that Social Security taxes about 90 percent of all earnings in covered employment as was the case in the beginning years of Social Security. Such a reform would require raising the limit by about 25 percent in addition to annual adjustments based on increases in average wages. An increase in the taxable wage base would increase individual equity since higher-paid workers

[16] Section C6 of the 2014 OASDI Trustees Report.

would contribute a higher portion of their total income to Social Security. Women on average would be impacted less than men by an increase in the limit on taxable earnings.

A variation would remove the limit for taxes on both employees and employers but retain the limit for calculating benefits. This would more significantly shift the balance between individual equity and social adequacy provided by Social Security, and could impact the popularity of the program.

## Summary

The current Social Security law is gender neutral, and contains spousal and subsidized benefit provisions that mitigate, but do not eliminate, factors that produce lower benefits for women, including lower earnings, shorter work histories, longer life spans, greater dependency on spouses, divorce, and prior death of spouses. It is worth noting that the present system provides a lower level of benefits relative to Social Security taxes paid for two-earner families where the second earner has significant income. As policymakers evaluate various options to reform the Social Security system, they should not only address its financial problems, but also consider that Social Security remains an even more important source of retirement income for many women than men. This greater dependency on Social Security suggests that proposals to directly or indirectly address the significant issues of women and multiple-earner families should be studied carefully and modeled to show the impact on families/beneficiaries in a variety of situations before being adopted.

In closing, I again thank you for the opportunity to present some ideas on behalf of the actuarial profession to you today on whether key provisions of Social Security are working for women. I would be happy to answer any questions.

# # #