



NEWS RELEASE

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Academy: With or Without Chained CPI in President's Budget, Social Security Reform Should Start Now

WASHINGTON—The American Academy of Actuaries is taking the opportunity presented by President Obama's FY2015 budget request to remind the president and members of Congress of the pressing need for Social Security reform. This year's budget request is expected not to include the "chained CPI" measure that last year's did, but that measure is just one among many options for reform, as the Academy outlines in the [*Social Security Reform Options*](#) monograph released today.

"Addressing Social Security's long-term financial issues, and specifically reaching the bipartisan commitment required to act on reform, is long overdue," says Academy President Tom Terry. "The analysis published today by the Academy provides a comprehensive menu, in one place, of reform options for Congress to consider, along with an essential discussion of the implications of each option."

In its updated monograph, the Academy's Social Security Committee describes the financial condition of the program and outlines reform approaches based on actuarial methods and principles. It notes that "[t]he projected shortfalls in the most recent trustees report reinforce the need to make further efforts to strengthen and reform the financing and/or change the benefits of the program for future generations." Among the many options examined in the monograph are:

(MORE)

- Raising the full retirement age to reflect increased longevity since the Social Security program was enacted;

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- Making changes within the current defined-benefit structure and investment policy of the Old-Age, Survivors, and Disability Insurance programs, such as increasing the payroll tax or the limit on taxable earnings;
- Making changes within the defined benefit structure, such as investing in securities markets and means testing of eligible beneficiaries; and
- Establishing mandatory or voluntary individual investment accounts, and options for annuitization.

For legislators and policymakers examining Medicare within the federal budget process, the Academy also offers extensive analyses from an actuarial perspective on [the most recent Medicare trustees' report](#), [revising the fee-for-service plan design](#), and [establishing a premium support program for Medicare beneficiaries](#).

Learn about all the public policy resources available from the American Academy of Actuaries by clicking on the “Public Policy” tab at www.actuary.org.

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