

# Prepare Your Clients for Reductions in Social Security Benefits

CLIENTS NEED  
RETIREMENT  
SOLUTIONS

ASH ANSWERS.

"The inexorable arithmetic of dollars times demography has taken us past the point of no return. It's no longer possible to say that, by starting now, we can avert massive, and massively unfair, changes in the promises we have made, or that current [Social Security] beneficiaries have nothing to worry about."

-Mitch Daniels, Former Director of Office of Management and Budget (OMB) on Jan. 27, 2021

Social Security benefits are likely to change in the near future. In fact, the 2020 Annual Report from the Board of Trustees warned that by 2035 there will only be enough revenue to pay 79% of Social Security benefits.

But these estimates were pre-COVID. A year into the pandemic, nearly 10 million people are still out of work and not paying payroll taxes.

Now, some experts are predicting the trust funds may be depleted as soon as 2028. In fact, according to the Center for Retirement Research at Boston College, the current size of the missing trust fund is \$27 trillion. It seems natural that 61% of Boomers and 81% of Generation X are worried that Social Security won't be there for them.

There are several strategies Congress can consider to keep Social Security functioning:

Changes to Revenue
Increase Social Security tax by as much as 27%
Expand payroll taxes by eliminating the earnings tax
Expand payroll taxes on all incomes above \$400,000

(Source: Peter G. Peterson Foundation)

Changes to Benefits
Push back the full retirement age, a tactic they used in 1983
Pay benefits at a reduced level
Employ means testing to reduce benefits for upper-income workers

## Understand the Urgency

Although many clients are counting on Social Security in retirement, many of them don't feel any urgency to plan today. But the longer they wait, the more likely they are to have less in retirement than they were planning on. It's something that shouldn't be ignored.

We're here to partner with you. Reach out to our retirement income consultants at (800) 589-3000 and help protect your clients from the possibility of reduced Social Security benefits.

Whatever the question, whatever the need. **Ash Answers.**

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Are your clients  
protected?