

Potential Effects of HR 711 on Social Security Benefits

The following charts are intended to show the general trend of effects of HR 711 on the Social Security benefits of impacted future retirees. For the purposes of these charts, the benefit calculations assume that the person was born in 1955 and would be eligible for Social Security in 2017 (age 62). Also, the “bend points” for the Social Security calculation have been estimated for 2017 at \$903 for the first bend point and \$5,443 for the second bend point.

The HR 711 calculation takes Social Security benefit that would be received using the average indexed monthly earnings (AIME) of earnings from both covered and non-covered employment. That total AIME is multiplied by a fraction (the AIME from only covered earnings divided by the total AIME).

Chart 1: A low earner with different combinations of covered and non-covered employment years. Consistent with the 2017 eligibility cohort, low wages are set at \$2,500 per month. The person is presumed to retire at age 65 with a pension from non-covered employment using a 2.5 percent at age 65 formula with a final compensation number of \$2,500 a month.

SS years (covered AIME)	Non-SS years	Non-SS pension	WEP benefit	Benefit if WEP repealed	HR 711 benefit
10 (714)	25	\$1,562	\$285	\$642	\$377
15 (1071)	20	\$1,250	\$414	\$865	\$566
20 (1428)	15	\$937	\$529	\$980	\$755
25 (1785)	10	\$625	\$868	\$1,094	\$944
30 (2142)	5	\$312	\$1,208 <i>(exempt from WEP)</i>	\$1,208	\$1,113

Chart 2: An average earner with different combinations of covered and non-covered employment years. Consistent with the 2017 eligibility cohort, average wages are set at \$4,000 per month. The person is presumed to retire at age 65 with a pension from non-covered employment using a 2.5 percent at age 65 formula with a final compensation number of \$4,000 a month.

SS years (covered AIME)	Non-SS years	Non-SS pension	WEP benefit	Benefit if WEP repealed	HR 711 benefit
10 (1142)	25	\$2,500	\$437	\$888	\$514
15 (1714)	20	\$2,000	\$620	\$1,071	\$772
20 (2285)	15	\$1,500	\$803	\$1,254	\$1,029
25 (2857)	10	\$1,000	\$1,211	\$1,437	\$1,287
30 (3428)	5	\$500	\$1,620 <i>(exempt from WEP)</i>	\$1,620	\$1,545

Chart 3: A high earner with different combinations of covered and non-covered employment years. Consistent with the 2017 eligibility cohort, high wages are set at \$9,000 per month. The person is presumed to retire at age 65 with a pension from non-covered employment using a 2.5 percent at age 65 formula with a final compensation number of \$9,000 a month.

SS years (covered AIME)	Non-SS years	Non-SS pension	WEP benefit	Benefit if WEP repealed	HR 711 benefit
10 (2571)	25	\$5,625	\$894	\$1,345	\$798
15 (3857)	20	\$4,500	\$1,306	\$1,757	\$1,198
20 (5142)	15	\$3,375	\$1,717	\$2,168	\$1,597
25 (6428)	10	\$2,250	\$2,185	\$2,411	\$1,997
30 (7714)	5	\$1,125	\$2,604 <i>(exempt from WEP)</i>	\$2,604	\$2,397