



TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAII

COMMITTEE REFERRAL: PSM

MARCH 20, 2024

SCR 109/SR 91, URGING THE UNITED STATES CONGRESS TO ADOPT THE
SOCIAL SECURITY 2100 ACT.

POSITION: SUPPORT

The Democratic Party of Hawai'i **supports** SCR 109/SR 91, which urge the United States Congress to adopt the Social Security 2100 Act.

The Social Security Act was originally passed in 1935 to provide essential benefits and financial security to retired individuals, senior citizens, and persons with disabilities. Individuals receiving Retired Insurance Benefits constitute the largest group of Social Security beneficiaries, with over 52 million retired workers or family members receiving monthly payments as of 2023. Moreover, more than 10,000 individuals from the baby boomer generation become eligible for Retirement Insurance Benefits from Social Security every day.

As a result of the retirement of the large baby boomer generation, it is projected that under existing law, the trust fund reserves for the Old-Age and Survivors Insurance Trust Fund and Disability Insurance Trust Fund will be depleted by 2034. Similarly, a depletion of the two Social Security trust funds is expected to result in only 78 percent of scheduled benefits being paid to beneficiaries on a timely basis after 2034.

In a response to this projected cut in benefits, concerned congressional leaders introduced the Social Security 2100 Act in 2023, which is intended to permanently improve Social Security's long-term health by extending the solvency of the two Social Security Trust Funds without increasing taxes on the middle class. According to United States Representative John B. Larson, co-introducer of the Social Security 2100 Act, the Social Security 2100 Act increases benefits by 2 percent across the board for all Social Security beneficiaries for the first time in 52 years, improves the cost-of-living adjustment to reflect economic inflation experienced by seniors, and increases benefits for lower income retirees.

The proposal also restores student benefits up to age 26 for dependent children of disabled and deceased workers; increases access to benefits for children living with grandparents or other relatives; repeals the windfall elimination provision and government pension offset that currently penalizes certain public servants; ends the five-month waiting period to receive disability benefits; and increases benefits by an additional 5 percent for seniors who have been receiving benefits for 15 years or more.

Finally, the measure would cut taxes for 23 million middle-income beneficiaries, while paying for benefits by applying the Federal Insurance Contributions Act to earnings over \$400,000 and adding an additional 12.4 percent net investment income tax for taxpayers making over \$400,000. It is imperative that Social Security remains a well-funded public entitlement without being privatized through self-directed retirement accounts that would subject beneficiaries, and particularly retiree savings accounts, to considerable risk and redirect Social Security assets into the coffers of Wall Street brokerages and investment banks; and

Mahalo nui loa,

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