



# EBRI News

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## *New Research from EBRI:*

### **Study Details Impact of Reform Alternatives on Social Security Benefits**

WASHINGTON—The nonpartisan Employee Benefit Research Institute (EBRI) today published another in a series of studies examining how potential changes in Social Security could affect future benefit levels.

The new article, appearing in the June 2006 *EBRI Notes*, examines the changes in the distribution of benefit levels Social Security recipients would receive under each of five different reform alternatives. In addition, the article calculates for each beneficiary the amount of savings that would need to be accumulated in order to purchase a payout annuity (an insurance product that provides a regular lifetime stream of earnings) to compensate for the decrease Social Security benefits that would occur under these alternatives compared with current law. The article is available at [www.ebri.org](http://www.ebri.org).

The June article builds on a study published in the April 2006 *EBRI Notes*, which examined changes in the distribution of Old-Age and Survivors Insurance benefits (the primary Social Security program) under the same five reform alternatives. The April article noted that any changes in Social Security could have a dramatic effect on the percentage of elderly living below the poverty level. The April article is available at [www.ebri.org/pdf/notespdf/EBRI\\_Notes\\_04-20061.pdf](http://www.ebri.org/pdf/notespdf/EBRI_Notes_04-20061.pdf)

EBRI published two studies in 2005 examining the impact of various Social Security reform options:

- The July 2005 *EBRI Notes* contained an article which concluded that protecting disability benefits would mean deeper cuts elsewhere: If disability benefits were to be preserved at current-law levels, retiree benefits could be faced with cuts of an additional 25 percent to 40 percent (or an equivalent increase in revenue) above what would be needed to close the funding gap in the Social Security program. The article is available at [www.ebri.org/pdf/notespdf/EBRI\\_Notes\\_07-20051.pdf](http://www.ebri.org/pdf/notespdf/EBRI_Notes_07-20051.pdf)
- The May 2005 *EBRI Issue Brief* was devoted to a comprehensive study showing how various policy options, including the creation of individual accounts, and other variables could affect Social Security benefit levels. The May 2005 study built on work done by EBRI on individual accounts beginning in 1981 and is available [www.ebri.org/pdf/briefspdf/0505ib.pdf](http://www.ebri.org/pdf/briefspdf/0505ib.pdf)

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