

SENIORS AND VETERANS EMERGENCY (SAVE) BENEFITS ACT

CEO compensation for the top 350 US firms increased by 3.9% last yearⁱ – but this year, millions of people who rely on Social Security and critical veterans' benefits won't get any raise at all, for only the third time since 1975.ⁱⁱ

This discrepancy isn't an accident. It's the result of choices made by Congress. It's time for us to make different choices. If multi-billion dollar CEOs are getting a raise, seniors and veterans should get one too.

Social Security benefits are supposed to be indexed to inflation so that benefits rise when prices go up. But Congress's formula is volatile and does a poor job of reflecting what older Americans actually spend. So even though official government data shows core goods and services are up about 2%,ⁱⁱⁱ seniors who usually get a raise on January 1 won't see an extra dime next year.

Meanwhile, CEO pay continues to skyrocket. The average CEO at one of the top 350 American companies made \$16.3 million in 2014.^{iv} The 100 largest CEO retirement accounts are worth a combined \$4.9 billion – equal to the entire retirement savings of over 116 million Americans.^v

This, too, is the result of Congress's choices. A report last week from the Center for Effective Government and the Institute for Policy Studies details how taxpayers subsidize these huge pay packages through billions in giveaways available to corporate executives – like special tax-deferred compensation accounts and a loophole that allows unlimited corporate deductions for executive “performance pay.”^{vi}

Two-thirds of seniors rely on Social Security for the majority of their income. It's the only thing keeping about fifteen million of them out of poverty.^{vii} Millions of veterans depend on their modest monthly payments to make ends meet.^{viii} These Americans deserve a raise.

The **Seniors And Veterans Emergency (SAVE) Benefits Act** makes sure seniors, veterans, people with disabilities, and other Americans are able to make ends meet:

- **Provides 70 million Americans with an emergency payment in 2016.** The Act gives all Americans who receive Social Security, key veterans benefits, SSI, or other equivalent state, federal, or local retirement programs a one-time emergency payment of 3.9% (~\$580) – equal to the same percentage raise that top CEOs received last year.
- **Fully covers the cost of increased payments by closing corporate compensation loopholes.** The Act closes the “performance pay” loophole that costs us billions annually in tax subsidies for runaway corporate executive compensation packages. This idea has bipartisan support, and is based on the House Republican Ways and Means Committee Chairman's 2014 tax reform proposal.^{ix}
- **Extends the life of Social Security.** The Act uses the substantial additional revenue saved by closing the CEO compensation loophole to bolster the Social Security and Disability trust funds, increasing their solvency by more than the recently passed Bipartisan Budget Act of 2015.

In 2009, Congress gave Social Security Recipients an emergency payment of \$250.^x A similar emergency measure was introduced in 2010, but was ultimately blocked by Republicans.^{xi}

For more information, please contact Lindsay Owens: 202-224-4543

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ⁱ “Top CEOs Make 300 Times More than Typical Workers,” Economic Policy Institute, June 21, 2015. Available at: <http://www.epi.org/publication/top-ceos-make-300-times-more-than-workers-pay-growth-surpasses-market-gains-and-the-rest-of-the-0-1-percent/>

ⁱⁱ “History of Automatic Cost-of-Living Adjustments,” Social Security Administration, last accessed on November 2, 2015. Available at: <http://www.ssa.gov/news/cola/automatic-cola.htm>

ⁱⁱⁱ “Consumer Price Index – September 2015,” Bureau of Labor Statistics, October 15, 2015. Available at: <http://www.bls.gov/news.release/pdf/cpi.pdf>

^{iv} “Top CEOs Make 300 Times More than Typical Workers,” Economic Policy Institute, June 21, 2015. Available at: <http://www.epi.org/publication/top-ceos-make-300-times-more-than-workers-pay-growth-surpasses-market-gains-and-the-rest-of-the-0-1-percent/>

^v “A Tale of Two Retirements,” Center for Effective Government and the Institute For Policy Studies, October 28, 2015. Available at: <http://www.foreffectivegov.org/files/pdfs/two-retirements.pdf>

^{vi} “A Tale of Two Retirements,” Center for Effective Government and the Institute For Policy Studies, October 28, 2015. Available at: <http://www.foreffectivegov.org/files/pdfs/two-retirements.pdf>. See also, “Fix the Debt’ CEOs Enjoy Taxpayer-Subsidized Pay,” Institute for Policy Studies, May 2, 2013. Available at: <http://www.ips-dc.org/ceo-tax-subsidized-pay/>

^{vii} “Social Security Benefits are Modest,” Center on Budget and Policy Priorities, May 5, 2015. Available at: <http://www.cbpp.org/research/social-security/social-security-benefits-are-modest> & “Policy Basics: Top Ten Facts about Social Security,” Center on Budget and Policy Priorities, August 13, 2015. Available at: <http://www.cbpp.org/research/social-security/policy-basics-top-ten-facts-about-social-security>

^{viii} “Population Profile,” Social Security Administration, last accessed on November 3, 2015. Available at: <https://www.ssa.gov/retirementpolicy/fact-sheets/veteran-beneficiaries.html>

^{ix} H.R. 1 (113th). Available at: <https://www.congress.gov/bill/113th-congress/house-bill/1>

^x H.R. 1 (111th). Available at: <https://www.congress.gov/bill/111th-congress/house-bill/1>

^{xi} “Congress Rejects Bills to Authorize a One-Time Payment of \$250,” Social Security Legislative Bulletin, December 10, 2010. Available at: https://www.ssa.gov/legislation/legis_bulletin_120810a.html

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