



The Seniors and Veterans Emergency (SAVE) Benefits Act

Senator Elizabeth Warren (D-MA) has introduced a bill, S. 2251, to provide a one-time payment to seniors and disabled Social Security beneficiaries, veterans, railroad retirees and individuals receiving Supplemental Security Income (SSI). These individuals would receive \$581 in 2016. The increase is approximately 3.9 percent of average Social Security benefits, which is the same percentage increase that Wall Street executives received in bonuses last year.

How will the increase be financed?

The increase will be paid for by closing a tax loophole that allows corporations to write off executive bonuses as a business expense for "performance pay." Closing the loophole will also help extend the solvency of the Social Security old age and disability insurance trust funds.

No COLA in 2016

In October, the Social Security Administration announced that beneficiaries will not be receiving a cost-of-living adjustment in 2016. While prescription drugs and medical expenses are going up every year, beneficiaries will not be getting a corresponding increase in benefits. This is in part because the items used to calculate the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), which is used to determine the cost-of-living adjustment (COLA), looks at other variables and does not adequately factor in items that seniors consume.

One-time payment in lieu of COLA

The one-time emergency payment is an effort to alleviate the rising costs of consumer goods and provide an increase in benefits in light of the fact that there will be no COLA next year. The Save Benefits Act will help lift 1 million people out of poverty and will give about 70 million seniors, veterans, people with disabilities, and others extra funds with which to help pay for food, housing or prescription drugs.