



Written by [David Kelly](#) on August 17, 2023

Report: Retired Couples Could See \$17,400 in SS Benefits Cut by 2033

A Social Security Administration trustees [report](#) predicts that by 2033 incoming revenues will be enough to pay only about 77 percent of Social Security benefits funded by the Old-Age and Survivors Insurance (OASI) trust fund if no legislative action is taken. That means the average retired couple would see a \$17,400 Social Security cut, according to a new report from the nonpartisan [Committee for a Responsible Federal Budget](#) (CRFB).

“As the 2024 presidential campaign ramps up, candidates are facing pressure to pledge not to touch Social Security. While this pledge is framed as ‘protecting benefits,’ it is — in reality — an implicit endorsement of a 23 percent across-the-board benefit cut in 2033, when the Social Security retirement fund becomes insolvent,” the report states.



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A generation of presidents and Congresses have been painfully aware of the Social Security trust fund’s approaching insolvency, but have chosen to ignore the political third rail of finding an agreeable solution to the fiscal nightmare. To resolve the predicted loss in revenue, the government will most likely have to raise taxes, raise the eligibility age, cut costs, and/or rely more on general funds, which could mean higher budget deficits and potential cuts to other programs.

The CRFB report shared that “upon insolvency, the law mandates that the OASI trust fund can only spend in amounts equal to incoming trust fund revenue, which means that all 70 million retirees, dependents, and survivors — regardless of age, income, or need — will see their benefits cut by 23 percent.” (Emphasis in original.)

The report further [declared](#):

For a typical dual-income couple retiring in 2033, we estimate this would represent an immediate \$17,400 cut in current dollar annual benefits and an immediate \$13,100 cut for a typical single-income couple.

The cuts would differ for couples at different income levels. A low-income, dual-income couple retiring in 2033 would see a \$10,600 cut while a high-income, dual-income couple retiring in 2033 would see their annual benefits slashed by \$23,000. Although the cut for a low-income couple would be smaller, it would represent a larger share of their income – and so senior poverty would rise significantly upon insolvency.

The above estimates of benefit reductions are in current nominal dollars. “Adjusted for inflation, we



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estimate a typical dual-income couple would face a \$14,000 cut, while low-income couples would face a \$8,500 cut and high-income couples would face a \$18,500 cut,” stated the report. And those cuts will affect today’s 57-year-olds when they reach the normal retirement age, as well as when today’s youngest retirees turn 72 in 2033.

The CRFB’s [US Budget Watch 2024](#) project produced this report on the future of Social Security benefits as part of their nonpartisan mission to educate the public on the fiscal impact of presidential candidates’ proposals and platforms.

In a June paper titled “[Major Challenges Await the Next Administration](#),” the CRFB wrote about issues such as the national debt, rising interest rates, and trust fund solvency. Regarding the predicted cuts to Social Security benefits, the paper suggested the following:

The President must work with Congress to avoid these harmful cuts in a fiscally responsible way, either by raising new revenue, slowing cost growth, or a combination of both.

Thoughtful reforms could promote economic growth, reduce health care costs, support higher-value infrastructure, improve tax fairness and efficiency, and strengthen retirement security for vulnerable Americans.

Changes should be enacted well ahead of trust fund deadlines to allow time for policies to phase in gradually and to give workers, beneficiaries, and providers time to plan and adjust.

Aware that Social Security’s future is of major concern for many voters, presidential candidates have mentioned the trust fund while campaigning, but without offering any realistic plan to make the necessary changes to keep the program secure for future generations.

The Epoch Times [reported](#):

In his State of the Union address on Feb. 7, President Joe Biden said that “some Republicans want Medicare and Social Security to sunset every five years.”

“I won’t let that happen. Social Security and Medicare are a lifeline for millions of seniors ... If anyone tries to cut Social Security, I will stop them.”

Meanwhile, leading Republican presidential candidate, former President Donald Trump, said in January that “under no circumstances should Republicans vote to cut a single penny from Medicare or Social Security to help pay for Joe Biden’s reckless spending spree.”

While candidates offer to not cut trust fund benefits, the reality is that cuts will be coming if nothing is done to keep the program out of the red. As the CRFB report warned, “Any 2024 presidential candidate who pledges not to touch Social Security is implicitly endorsing a 23 percent across-the-board benefit cut for the 70 million retirees when the Social Security retirement trust fund reaches insolvency in just a decade.”



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