

Proposal for tax reform

Current problems:

- Social Security's fund is dwindling
- Most people have inadequate protection for long-life income
- Uncertainties in planning for long-term inflation

Proposal: Allow people to contribute to increase their Social Security benefits.

Details:

A change in the tax laws to allow a citizen to invest in Social Security. The tax-advantaged investment would be structured like an annuity. For example, each \$10,000 investment could buy about \$500 in additional annual payments (or tie the amount of additional payments to the prevailing interest rates).

Investments before the full retirement age would be treated like IRA. Additionally, current IRA money could be converted to an “enhanced” SSA account similarly to how Qualified Longevity Annuity Contracts (QLAC) are structured.

This proposal is fairly straightforward and easy to integrate into the existing Social Security system. It is voluntary and enhances the resilience of the SSA Trust Fund.