Special Features of the Accurate Benefits Calculator (ABC)

The Accurate Benefit Calculator (ABC), designed by the Center for Economic and Policy Research with the assistance of the Institute for Women's Policy Research, includes several features that are absent from other Social Security benefit calculators. The ABC:

1) Uses projections of stock returns for private accounts that are derived from the profit growth projections used in the nonpartisan Congressional Budget Office's analysis of Social Security.

2) Allows users to vary ages of retirement. Users can project their benefits depending on their chosen age of retirement (age 62 to age 70).

3) Allows benefits to be calculated separately, depending on whether the worker is married or single. This allows workers to see the impact of the spousal benefit provided by Social Security.

4) Allows workers to see how their benefits would be affected by taking time off from work.

5) Allows users to see how varying rates of returns on stocks will affect their benefits under President Bush's proposal. It also shows users the price-to-earnings ratios (PE) that are implied by their stock return assumptions, so that they can assess their plausibility compared to historical PEs.

6) Allows users to vary the administrative fees of handling private accounts so that workers can see what happens to their benefits if the system is more or less administratively efficient.

7) Allows users to vary the administrative fees of annuities so that workers can see what happens to their benefits if annuities are relatively expensive or low cost.

8) Allows users to see both the maximum and minimum monthly benefits available to workers who opt for private accounts, depending on whether workers convert their entire account into an annuity or just the minimum amount required.

9) Allows users to see both the maximum and minimum bequests available to workers who opt for private accounts, depending on whether workers convert their entire account to an annuity or just the minimum amount required.

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