

---

Subject: Re: Sun Microsystems

Posted by [Manualblock](#) on Sat, 03 Jun 2006 22:11:33 GMT

[View Forum Message](#) <> [Reply to Message](#)

---

It's an actuarial funding scheme. It relies on the increase in productivity/the compound interest earned and the increase in monetary value. As people age who are collecting the value of their check compared to the value of money decreases. Even though you get a COLA it maintains the value of your entitlement at what it was when you retired. Meanwhile the tier two maximum deduction amount goes up every year and the salaries of payees increases. So say you retired in 1980; the max payout then was about 960\$. with the COLA you would be getting about 1400\$ a month now. thats about 19,000 per year. Back in 1980 the average salary was about what; 22k\$ anually? Now the average salary is maybe 46K \$ but the people collecting SS are still getting checks based on when they retired. Thats how you can create a fund that will finance the future retirees; by looking down the road at inflation and productivity. It's a very good system that works but the honcho's want that money for the wealthy to invest instead of having it in the general fund. Still need to know how to support those who for whatever reason don't have anything saved.

---