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Trump's Social Security Promise Falls Short, But Retirees May Benefit Most

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In May 2025, Social Security payments reached a historic milestone, with the average monthly benefit for retired workers surpassing $2,000 for the first time in the program's nine—decade history. While this sum may seem modest, it remains a cornerstone of financial stability for most retirees. A recent Gallup poll, conducted annually for over 23 years, revealed that in April 2025, approximately 80%–90% of retirees consider Social Security a "major" or "minor" income source, consistent with past, longtime patterns.

For retirees, few issues carry as much weight as the certainty of their monthly Social Security payments. During his campaign, President Donald Trump tapped into this sentiment, promising on Truth Social and at town halls that "seniors should not pay tax on Social Security," a pledge he has described repeatedly as central to his reforms. However, with his landmark "One Big Beautiful Bill" now law, retirees have realised that this pledge was not fulfilled. Surprisingly, this broken promise may prove to be a blessing in disguise for those depending on the programme.

The taxation of Social Security benefits stems from the Social Security Amendments of 1983, signed into law by President Ronald Reagan. Facing near-depletion of the programme's trust funds, a bipartisan Congress raised the payroll tax, adjusted the full retirement age, and introduced a tax on benefits From 1984, up to 50% of Social Security benefits became taxable for single filers with provisional income over $20,000, or $25,600 for joint filers, under the 1983 Amendments. A second tier, introduced in 1993, taxed up to 85% of benefits for provisional incomes over $27,200 for individuals and $35,200 for joint filers.

These income thresholds, unadjusted for inflation since their inception, have become a sore point. Initially affecting roughly 10% of senior households, the tax now impacts nearly half. Trump's campaign promise, reiterated in a Truth Social post stating, "SENIORS SHOULD NOT PAY TAX ON SOCIAL SECURITY," and echoed at a post-inauguration town hall, resonated strongly with retirees. Yet, the "One Big Beautiful Bill" omitted this reform, leaving the tax intact.

Two critical factors explain this omission. First, the OASI trust fund is projected to face depletion by 2034, not 2033, under current spending projections. While the fund can continue payments without reserves, benefits may face a 23% cut without reform. Eliminating the tax would accelerate this depletion, removing a key funding source and likely deepening future cuts. Second, political realities intervened. Amending the Social Security Act requires 60 Senate votes, but Republicans held only 53 seats, making bipartisan support necessary and unattainable for the tax repeal. Unlike other provisions in Trump's bill, which passed via reconciliation with a simple majority, Social Security reform demanded broader consensus.

The failure to eliminate the Social Security tax may sting, particularly given Trump's repeated assurances. However, this outcome could be the best news for retirees. By retaining the tax, the timeline for OASI trust fund depletion remains unchanged, avoiding accelerated insolvency; tribute reform, however, remains necessary to avoid steep future cuts, preserving the programme's financial stability for longer. Scrapping the tax would have hastened insolvency, risking steeper benefit reductions in the future.

Moreover, the "One Big Beautiful Bill" includes temporary tax deductions, a "senior bonus" that could deliver more financial relief to retirees than the promised tax elimination. While specifics remain under wraps, early analyses suggest enhanced support for retirees, potentially through increased benefits or cost-of-living adjustments. In early analyses cited by policy experts, the bill's provision, such as the senior deduction and higher standard deduction, offers retirees broader relief than a tax cut on Social Security benefits alone.

The ment focuses on domestic issues, its policies have little bearing on Social Security's trajectory in the US. For retirees, the focus remains on securing their financial future. Trump's unfulfilled promise, though initially disappointing, has inadvertently safeguarded the programme's longevity while delivering alternative benefits that may prove more valuable. As the OASI trust fund's 2033 deadline looms, bipartisan cooperation will be essential to ensure Social Security remains a lifeline for millions.

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