



SOCIAL SECURITY

MEMORANDUM

Date: February 12, 2009

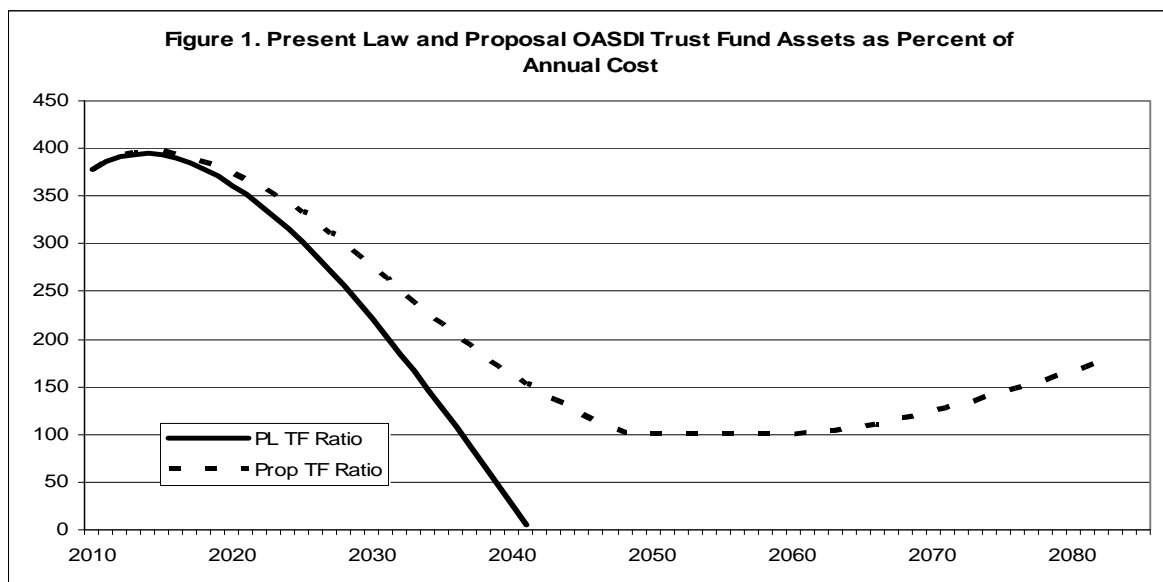
Refer To: TCA

To: Senator Robert Bennett
Joint Economic Committee of Congress

From: Stephen C. Goss, Chief Actuary
Alice H. Wade, Deputy Chief Actuary
Christopher J. Chaplain, Supervisory Actuary

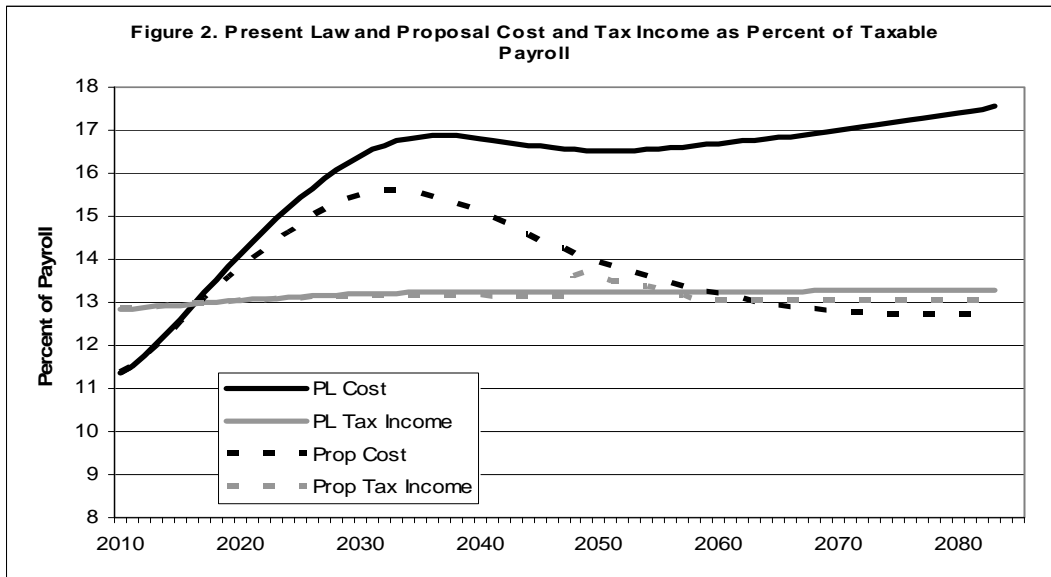
Subject: Estimated Financial Effects of the “Social Security Solvency Act of 2009”, S.426--
INFORMATION

This memorandum presents estimates of the financial effects on the Old-Age and Survivor’s Insurance and Disability Insurance (OASDI) program for the Bill that you are introducing today. Estimates reflect the intent of the Bill as discussed with Jeff Schlagenhauf of the staff for the Joint Economic Committee. The Bill is essentially unchanged from the Bill introduced in 2006, and would provide for progressive indexing of scheduled Old-Age and Survivor’s Insurance (OASI) benefits, provide for a life-expectancy adjustment (longevity indexing) for OASI benefits, accelerate by 5 years the increase in the normal retirement age to 67, and provide for transfers from the General Fund of the Treasury when needed to maintain a contingency trust fund reserve. The Bill would be expected to restore solvency for the OASDI program through the next 75 years and beyond as shown in Figure 1.



The OASDI program would meet the criteria for sustainable solvency under the Bill specifications because the assets in the OASDI Trust Funds would be projected to be (1) positive throughout the next 75 years and (2) rising as a percentage of annual program cost at the end of the period. Thus, the program would be expected to be solvent for the foreseeable future.

The annual cost of the OASDI program would be reduced from over 17 percent of payroll by 2080 to less than 13 percent. Net cash flow (tax income minus program cost) would be expected to be essentially in balance by 2060 and would be expected to remain balanced thereafter for the foreseeable future.



This plan would eliminate the long-range OASDI actuarial deficit, which is estimated at 1.70 percent of taxable payroll under current law, leaving the OASDI program in actuarial balance for the long-range (75-year) projection period. Table A provides estimates of the effects of each section of the Bill on (1) the actuarial balance of the OASDI program and (2) the annual balance¹ for the 75th year in the projection period. Table B provides estimated effects on illustrative retiree benefit levels. All estimates are based on the intermediate assumptions of the 2008 Trustees Report and reflect our understanding of your intent for this proposal.

¹ Difference between tax income and program cost

Specifications

Section 2: Progressive Indexing of OASI Benefits

The Progressive Indexing PIA Formula

Under section 2 of the Bill, basic benefits for OASI beneficiaries above the 30th percentile of career-average earners would be modified in the law to provide for slower growth in benefits across succeeding cohorts of retirees starting in 2012. The largest reductions would be for workers with steady maximum taxable earnings. For these maximum earners reductions would be equivalent to the effect of full CPI-indexing of starting benefits, as included in Model 2 from the President’s Commission to Strengthen Social Security of 2001. Reductions in starting benefit levels would be smaller for earners with lower career-average earnings. This progressive indexing provision is modeled after the provision developed for Robert Pozen in 2003, but differs in that it would not reduce benefits for disabled worker beneficiaries or for young survivor beneficiaries.

To accomplish progressive indexing, the Primary Insurance Amount (PIA) formula would be modified in four steps as detailed below.

1. ***Step 1: Establish a new bend point at the 30th percentile:*** A new PIA bend point would be established for those newly eligible in 2012. The new bend point would be set at the level of:
 - The current-law first bend point *plus*
 - 28.6 percent of the difference between the current-law first and second bend points.

This level has been determined by the Office of the Chief Actuary to be at about the 30th percentile of average indexed monthly earnings (AIME) for workers becoming entitled for retired worker benefits in the years 2001 through 2003. In addition, the specified new bend point is expected to be at about the 30th percentile of career-average earnings for retired workers newly entitled in 2012 based on projections under the intermediate assumptions of the 2008 Trustees Report. This level is equivalent to about \$23,500 annual earnings in 2009. The new bend point would be wage indexed in the future, as is done for the other bend points in current law.

2. ***Step 2: Compute PIA for “maximum” earner two ways:*** The PIA would be computed two ways for each of the cohorts of theoretical “maximum” earners retiring at 62 in 2012 and later. The “maximum” earner who retires at age 62 in 2012 is defined as a worker with a career-average earnings level (AIME) equal to the OASDI taxable maximum amount for 2010. This level of AIME would be wage indexed for subsequent cohorts of theoretical “maximum” earners. The first PIA calculation would be as in current law, and would be referred to as *the wage-indexed PIA*. The second calculation would be computed with each of the three marginal PIA factors (90, 32, and 15) being reduced successively by the annual real increase in the national average wage index (AWI). This would be referred to

as *the CPI-indexed PIA*. The annual real increase in the AWI would be calculated as:

- The ratio of the CPI-W (the index level) for the second year prior to benefit eligibility to the CPI-W for 2009, *divided by*
 - The ratio of the AWI for the second year prior to the year of benefit eligibility to the AWI for 2009.
3. **Step 3: Calculate the PIA for 30th percentile worker:** Calculate the PIA for cohorts of workers becoming newly eligible for retirement benefits in 2012 and later and having an AIME equal to the level of the applicable new bend point.
 4. **Step 4: Determine the upper two PIA formula factors:** For the actual progressive indexed PIA formula, the marginal PIA factors that apply above the new bend point would be reduced at the rate needed so that the PIA computed for the theoretical “maximum” earner would be equal to *the CPI-indexed PIA* for those newly eligible in 2012 and later. The PIA factors (90 and 32) that apply below the new bend point would be unaffected. For each worker attaining age 62 in 2012 and later, the formula factors above the new bend point (32 and 15) would be multiplied by an amount equal to:
 - The difference between *the CPI-indexed PIA* for the theoretical maximum earner retiring at 62 in the year and the PIA for the worker with an AIME equal to the new bend point, *divided by*
 - The difference between *the wage-indexed PIA* for the theoretical maximum earner and the PIA for the worker with an AIME equal to the new bend point.

Benefits Not Subject to Full Progressive Indexing

As stated above, the progressive indexed PIA applies for OASI benefits that are subject to reduction for early-age entitlement: retired worker, aged spouse and aged widow(er) benefits. Benefits payable to young survivors (children and spouses under normal retirement age with a child in care) would be based on the current wage-indexed PIA.

In addition, based on Section 4 of the Bill, all benefits payable from the Disability Insurance (DI) Trust Fund would also be based on the current law wage-indexed PIA formula. However, upon attainment of the normal retirement age (NRA), disabled worker beneficiaries are converted to retired worker status and are thereafter paid benefits from the OASI Trust Fund. Under this proposal, disabled worker beneficiaries would become subject to a proportional application of the progressive indexed PIA at the time of conversion to retired worker status (or at entitlement to any retired worker benefit if recovered from disability before NRA or for survivor benefits if deceased before NRA). In such cases, the proportion of years between attainment of age 22 (or 2006 if later) and the attainment of 62 (or age at death if earlier) for which the worker was entitled to disabled worker benefits would be determined (*Prop_{DIS}*). The PIA payable to a worker upon conversion to retired worker status (or at entitlement to any retired worker benefit if recovered from disability before NRA or for survivor benefits if deceased before NRA) would be computed as:

- The product of $Prop_{DIS}$ and the PIA that had been payable from the DI program (with continued COLAs) *plus*
- The product of $(1 - Prop_{DIS})$ and the PIA that would be payable to a retiree of the same age with full progressive indexing and an AIME equal to that for the worker with the benefit computation years reduced by the years of disabled worker entitlement between ages 22 and 62.

This resulting proportional “weighted average” benefit would, however, be limited in cases where the beneficiary is entitled to disabled worker benefits up to conversion to retired worker status at NRA. In this case, the PIA would be set no higher than the PIA provided before conversion, and then increased by appropriate COLAs.

Stopping and Restarting Progressive Indexing

The Bill contains a stabilizing provision. That is, if projections under the intermediate assumptions for the OASDI program in any future Trustees Report issued in 2050 or thereafter indicate that sustainable solvency is projected and that no transfers from the General Fund of the Treasury are expected to be needed within the next 75 years, then the incremental effects of progressive indexing may be suspended for the succeeding year. The determination of whether to suspend progressive indexing for the following year will be in the affirmative if the OASDI program would still be projected to meet sustainable solvency under the intermediate assumptions of the Trustees Report.

This stabilizing provision may cause the incremental effects of progressive indexing to be added only intermittently after some time in the future. If progressive indexing is suspended for a year, then the PIA factors will be unchanged from the levels for the prior year. If the progressive indexing is restarted in any future year, the effect of CPI-indexing the PIA for the theoretical maximum earner in the formulas above will be computed omitting years for which the indexing was suspended.

Under the Bill specifications, it is expected that sustainable solvency will be achieved (solvency through 75 years and a stable or rising ratio of trust fund assets to annual program cost at the end of the period). In addition, as discussed in the “Results” section, it is projected that progressive PIA indexing would be suspended for 2058 through at least 2083 under this proposal.

Section 3. Indexing OASI Benefits for Increases in Life Expectancy

Under section 3 of the Bill, for OASI beneficiaries becoming eligible for aged OASI benefits (as described for progressive indexing above) in 2018 and later, the PIA marginal factors (90, 32, and the modified 32 and 15 from progressive indexing) would all be multiplied by the ratio of:

- Life expectancy at 67 (ultimate NRA) for 2013
to
- Life expectancy at 67 (ultimate NRA) for the 4th year prior to the year of benefit eligibility.

Unisex life expectancies would be computed using the best available data by the Office of the Chief Actuary of the Social Security Administration. Life expectancies would be based on period life tables for these years so that final, complete actual data would be available for the calculations. Life expectancies projected under the intermediate assumptions of the 2008 Trustees Report result in an expected average annual reduction in the PIA benefit level under this provision of about 0.3 percent.

While benefits payable from the DI Trust Fund would not be affected by the longevity indexing per Section 4 of the Bill, such benefits would be affected on a proportional basis (as described above for progressive indexing) starting at conversion to retired worker status at NRA (or at entitlement to any retired worker benefit, or at death for aged survivor benefits, if earlier). Benefits payable to young survivors (children and spouses under NRA with a child in care) would be based on the current wage-indexed PIA.

Section 4. Disabled-Worker Hold Harmless Provision

Under section 4 of the Bill, disabled worker beneficiaries and auxiliary benefits paid on their account, would not be subject to the benefit reductions in sections 2 and 3, while their benefits are paid from the DI Trust Fund. However, after converting to benefits payable from the OASI Trust Fund, these reductions would be applied on a proportional basis reflecting the portion of the potential working years the disabled worker was not receiving DI benefits. The application of this provision is described above under the summaries of sections 2 and 3 of the Bill.

Section 5. Start Increase for NRA to 67 in 2012

Under current law, the normal retirement age (NRA) is scheduled to increase by 2 months per year for those attaining retirement eligibility age (62) in years 2017 through 2022, reaching the ultimate NRA of 67 for those reaching age 62 in 2022 and later. This provision would move the transition 5 years earlier, increasing the NRA by 2 months per year for those attaining retirement eligibility age (62) in years 2012 through 2017, reaching the ultimate NRA of 67 for those reaching age 62 in 2017 and later.

Section 6. Provide Transfers from the General Fund of the Treasury as Needed

Under section 6 of the Bill, if in any future year the assets of the combined OASDI Trust Funds during the following year are projected to fall below a level equal to 100 percent of the cost of the program in the ensuing year, then transfers from the General Fund of the Treasury will be made in sufficient amount and timing to prevent the trust funds from falling below 100 percent of the annual program cost

As discussed in the “Results” section, it is projected that General Fund transfers would be needed from 2048 through 2057, in order to maintain a 100 percent trust fund ratio for those years.

Assumptions

All estimates for this proposal provided in this memorandum and in the attached tables reflect the intermediate assumptions and projections from the 2008 Trustees Report.

Results

OASDI Trust Fund and Unified Budget Effects

Table A provides the estimated effect of each section of the Bill on the OASDI actuarial balance as well as on the annual balance for the 75th projection year. Tables 1 through 1d provide detailed estimates for the expected effects of the complete plan on OASDI financial status and on the unified budget. Table 2 provides OASDI financial status assuming enactment of all but section 6, thus omitting general fund transfers. Finally, table 3 provides the OASDI financial status assuming enactment only of section 2, progressive indexing of the PIA formula for OASI benefits, along with the disabled-worker hold harmless provision of section 4, but including the suspension expected under the full provisions of the Bill.

Table 1 indicates that the complete plan would be expected to result in solvency for the OASDI program through the next 75 years. The actuarial deficit is projected to be entirely eliminated. Moreover, the level of trust fund assets shown as a ratio to annual program cost (trust fund ratio or TFR) is projected to be rising at the end of the 75-year period. Thus, the plan would meet the criteria for sustainable solvency under the intermediate assumptions of the 2008 Trustees Report.

Table 1 also indicates that general fund transfers are expected to be needed for 10 years (for years 2048 and through 2057), in order to maintain a 100 TFR. After 2057, however, additional transfers are not expected to be necessary. The TFR is projected to be stable or rising after 2057. In addition, table 1 indicates that annual program cash-flow balances (annual balance) are projected to be positive after 2062. Because the General Fund transfers are not expected to be needed and the TFR is projected to be rising after 2057, the incremental effects of progressive indexing (see Section 2.) are expected to be suspended for 2058 through at least 2083.

On the other hand, if the program at any point would not be adequately financed with the application of Sections 1 through 5 of this Bill, then Section 6 would provide a failsafe in the form of general fund transfers as needed to maintain a 100 percent TFR.

Table 1a provides an analysis of the General Fund transfers to the trust funds under the plan, as well as projected levels of OASDI Trust Fund assets. Columns 1 through 3 provide the estimated amounts of General Fund transfers to the trust funds for years 2048 through 2057, expressed in present value dollars as of January 1, 2008, as a percentage of annual OASDI taxable payroll, and in constant 2008 dollars. The total amount of transfers in present value through 2082 (the end of the 75-year valuation period) is shown as \$115

billion at the bottom of column 1. Column 4 provides the cumulative total amount of these transfers through the end of each year (with interest), in constant 2008 dollars.

The projected OASDI Trust Fund assets under the proposal are shown in column 5 of Table 1a. For the purpose of comparison, the projected OASDI Trust Fund assets are also shown for a theoretical Social Security program with borrowing authority in two separate ways. The theoretical trust fund assets are shown without any General Fund transfers in column 7. In addition, the theoretical trust fund assets are shown with the inclusion of General Fund transfers for solvency under the proposal in column 8. The projected level of GDP in constant 2008 dollars is shown in column 6 as an additional point of reference.

Tables 1b and 1b.c provide estimated effects on the federal government unified budget deficit due to enacting the proposal. These estimates indicate the change from the unified budget projections that would be made under current law (under the standard budget conventions). It should be noted that these estimates are based on the Trustees assumptions and thus are not directly comparable with those made by OMB and CBO under their own assumptions. Annual unified budget cash flow would be improved for years 2012 and later due to the substantial and increasing reductions in benefit obligations under the OASDI program.. The total debt held by the public is reduced to an increasing degree through 2083. Annual unified budget balances are also improved for all years after 2011.

Table 1c provides estimates of the annual cash flow from the trust funds to the General Fund of the Treasury. Under the proposal, the cash flow to the general fund is unchanged through 2011. After 2011, cash flow to the general fund improves to an increasing degree, relative to current law, as the benefit reductions grow. For the period 2008 through 2082 as a whole, the net cash flow from the OASDI Trust Funds to the general fund is increased from a negative \$6.6 trillion in present value under current law modified to provide General Fund transfers for solvency to negative \$1.8 trillion under the proposal.

Table 1d illustrates the effects of the components of the proposal on the annual OASDI Trust Fund levels, and on the projected unfunded obligations through each year after trust fund assets are projected to be exhausted. The estimated OASDI unfunded obligation for the long-range period of \$4.3 trillion in present value under current law is eliminated by a net reduction in benefits of \$4.7 trillion and general revenue transfers of \$0.115 trillion, in present value. The resulting positive trust fund balance at the end of 2082 is estimated at \$0.5 trillion under the proposal.

Table 2 provides the projected OASDI Trust Fund status for the plan, but excluding the transfers from the General Fund of the Treasury. Without the transfers, the OASDI Trust Fund is projected to remain solvent throughout the period, reaching a temporary minimum level of 71 percent of program cost in 2059, and the actuarial deficit would be improved by 1.78 percent of taxable payroll, leaving a positive actuarial balance of 0.08 percent of payroll. Without the General Fund transfers, the progressive indexing provision would be continued through 2070 and then suspended in 2071 through at least 2083. (This can be

compared to suspension in years 2058 through at least 2083 where General Fund transfers are included.)

Table 3 provides projected OASDI Trust Fund status reflecting only section 2, progressive indexing of the PIA formula, including the suspension of further reduction starting 2058. For this provision alone, the OASDI Trust Fund exhaustion date would be extended from 2041 until 2050, and the actuarial deficit would be improved by 1.26 percent of taxable payroll, leaving an actuarial deficit of 0.44 percent of payroll.

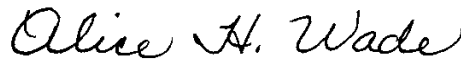
Estimated Effects on Benefit Levels

Table B provides projected levels of retired worker benefits for retirement at age 65 for several theoretical worker examples. Benefit levels at age 65 are presented in constant 2008 dollars (discounted for CPI increase back to 2008). Theoretical workers are presented with scaled low, medium, and high career earnings levels, as well as for a career steady maximum earner (earnings at or above the OASDI taxable maximum each year). These four hypothetical workers represent about the 26, 56, 81 and 100 percentiles of the distribution of career earnings levels for recent retired workers. See Actuarial Note 2008.3 at <http://www.ssa.gov/OACT/NOTES/ran3/index.html> for details on the nature of these worker examples.

Benefit levels are shown only for retired worker beneficiaries. Percentage reductions in benefits would be similar for other affected benefits. Comparison is provided to both present-law scheduled and present-law payable benefits. Comparison to present-law payable benefits is particularly appropriate for this proposal, as the means to achieving solvency for the OASDI program is almost entirely reductions in scheduled benefits.



Stephen C. Goss



Alice H. Wade



Christopher J. Chaplain

Attachments

**Table A--Estimated Long-Range OASDI Financial Effects of the “Social Security Solvency Act of 2009”
Introduced by Senator Robert Bennett**

<u>Section</u>	<u>Provision</u>	<u>Estimated Change in Long-Range OASDI Actuarial Balance (as a percent of payroll)</u>	<u>Estimated Change in Annual Balance in 75th year (as a percent of payroll)</u>
2	<p>Progressive PIA Indexing— Beginning with individuals newly eligible for OASI benefits in 2012, create a new bend point at the 30th percentile of lifetime earners. Maintain current-law benefits for earners at the 30th percentile and below and reduce upper 2 formula factors (32% and 15%) such that maximum worker benefit grows across generations by inflation rather than the growth in average wages. Further reductions for progressive PIA indexing would be suspended for any year after 2050 where General Fund transfers are not expected to be needed in the future, and the ratio of trust fund assets would otherwise be expected to be rising. Under the other provisions of this Bill suspension is expected beginning for those newly eligible in 2058 at least 2083.</p> <p>Due to section 4 of the Bill, disability benefits are not affected by the provision. Disabled worker beneficiaries, upon attaining normal retirement age, would be subject to a proportional reduction in benefits based on the worker's years of disability. Benefits payable to young survivors (children and spouses under normal retirement age with a child-in-care) are not affected by the provision.</p>	1.26	3.10
3	<p>Indexing OASI Benefits for Increases in Life Expectancy— For OASI beneficiaries becoming eligible for benefits in 2018 and later, multiply the PIA factors by the ratio of life expectancy at 67 for 2013 to the life expectancy at age 67 for the 4th year prior to the year of benefit eligibility. Unisex life expectancies, based on period life tables, would be used as projected by SSA's Office of the Chief Actuary. Due to section 4 of the Bill, disability benefits are not affected by the proposal. Disabled worker beneficiaries, upon attaining normal retirement age, would be subject to a proportional reduction in benefits based on the worker's years of disability. Benefits payable to young survivors (children and spouses under normal retirement age with a child in care) are held harmless for the provision.</p>	0.52	1.80
5	<p>Accelerate Increase in Normal Retirement Age— Start increasing the NRA to age 67 for those age 62 in 2012, rather than those age 62 in 2017.</p>	0.05	0.00
6	<p>General Fund Transfers—If in any future year the assets of the OASDI Trust Funds are projected to fall below a level equal to 100 percent of the program's cost in the ensuing year, provide for transfers from the General Fund of the Treasury such that assets will equal 100 percent of program cost for that year</p>	0.04	0.00
	Total for all provisions, including interaction	1.78	4.51

Notes: Section 4 effects on disability benefits are described under sections 2 and 3.
All estimates are based on the intermediate assumptions of the 2008 OASDI Trustees Report.
Financial effects for each individual proposal are shown on a stand-alone basis, relative to present law, unless otherwise stated.

Table B. Projected Retired Worker Benefits at Age 65 under Bennett S. 426
Social Security Solvency Act of 2009--Suspend Progressive PIA Indexing in 2058
 Worker Retiring at age 65 in Indicated Years with Indicated Career-Average Earnings Levels

Year Attain Age 65	<u>Present Law Benefit</u>		<u>Proposal Benefit Percent Reduction</u>				<u>Proposal Scheduled Benefit</u>		
	<u>Scheduled</u> <i>(constant 2008\$)</i>	<u>Payable at 65</u> <i>(constant 2008\$)</i>	Progressive PIA <u>Indexing 1/</u>	NRA 67 Start <u>2012</u>	Life Expectancy <u>Indexing 2/</u>	<u>Total</u>	<u>Benefit Amount</u> <i>(constant 2008\$)</i>	<u>Percent of Present Law</u>	
								<u>Scheduled</u>	<u>Payable</u>
Scaled Low Earner (\$18,879 for 2008 3/)									
2009	800	800	0.0	0.0	0.0	0.0	800	100	100
2019	904	904	0.0	6.0	0.0	6.0	850	94	94
2029	929	929	0.0	0.0	2.9	2.9	902	97	97
2039	1,032	1,032	0.0	0.0	5.9	5.9	971	94	94
2049	1,151	906	0.0	0.0	8.7	8.7	1,051	91	116
2059	1,282	1,001	0.0	0.0	11.1	11.1	1,139	89	114
2075	1,521	1,153	0.0	0.0	14.6	14.6	1,299	85	113
Scaled Medium Earner (\$41,953 for 2008 3/)									
2009	1,318	1,318	0.0	0.0	0.0	0.0	1,318	100	100
2019	1,489	1,489	3.1	6.0	0.0	8.9	1,357	91	91
2029	1,531	1,531	8.2	0.0	2.9	10.9	1,364	89	89
2039	1,701	1,701	13.1	0.0	5.9	18.2	1,391	82	82
2049	1,896	1,492	17.5	0.0	8.7	24.7	1,428	75	96
2059	2,112	1,650	21.5	0.0	11.1	30.2	1,473	70	89
2075	2,506	1,900	21.9	0.0	14.6	33.3	1,672	67	88
Scaled High Earner (\$67,125 for 2008 3/)									
2009	1,747	1,747	0.0	0.0	0.0	0.0	1,747	100	100
2019	1,974	1,974	4.7	6.0	0.0	10.3	1,770	90	90
2029	2,029	2,029	12.4	0.0	2.9	14.9	1,726	85	85
2039	2,254	2,254	19.6	0.0	5.9	24.3	1,706	76	76
2049	2,514	1,978	26.3	0.0	8.7	32.7	1,692	67	86
2059	2,799	2,187	32.3	0.0	11.1	39.8	1,685	60	77
2075	3,321	2,518	32.8	0.0	14.6	42.6	1,906	57	76
Steady Maximum Earner (\$102,000 for 2008 3/)									
2009	2,057	2,057	0.0	0.0	0.0	0.0	2,057	100	100
2019	2,401	2,401	5.5	6.0	0.0	11.1	2,134	89	89
2029	2,479	2,479	14.6	0.0	2.9	17.1	2,055	83	83
2039	2,753	2,753	23.1	0.0	5.9	27.7	1,991	72	72
2049	3,066	2,413	31.1	0.0	8.7	37.0	1,931	63	80
2059	3,415	2,668	38.1	0.0	11.1	45.0	1,879	55	70
2075	4,051	3,072	38.7	0.0	14.6	47.7	2,120	52	69

1/ Progressive PIA indexing starting for those newly eligible in 2012, hold harmless lowest 30 percent of career-average earners.

Under the stabilizing provision, it is expected that further reductions for this indexing would be suspended starting 2058.

2/ For those eligible in 2018 and later, multiply PIA factors by age 67 life expectancy for 2013 to that for 4 years before eligibility.

3/ Average of highest 35 years of earnings wage indexed to 2008.

All estimates based on the intermediate assumptions of the 2008 Trustees Report.

Office of the Actuary
 Social Security Administration
 February 12, 2009

Table 1 - Bennett "Social Security Solvency Act of 2009"

Progressive price indexing starting 2012 and suspended 2058-2083; disabled beneficiaries and young survivors held harmless
 Index OASI benefits for increases in life expectancy starting 2018; disabled beneficiaries and young survivors held harmless
 Start increase in normal retirement age to 67 in 2012
 General Fund Transfers to Maintain 100% Trust Fund Ratio

<u>Year</u>	<u>Cost Rate</u>	<u>Income Rate</u>	<u>Annual Balance</u>	<u>TFR 1-1-yr</u>	<u>OASDI Contribution Rate Change</u>	<u>OASDI Contribution Rate¹</u>	<u>General Revenue Transfers²</u>
2008	11.20	12.77	1.57	359		12.40	
2009	11.26	12.81	1.54	369	0.0000	12.40	
2010	11.37	12.82	1.46	378	0.0000	12.40	
2011	11.53	12.84	1.31	386	0.0000	12.40	
2012	11.74	12.87	1.12	392	0.0000	12.40	
2013	11.99	12.90	0.91	395	0.0000	12.40	
2014	12.26	12.91	0.66	397	0.0000	12.40	
2015	12.54	12.94	0.39	396	0.0000	12.40	
2016	12.85	12.96	0.11	393	0.0000	12.40	
2017	13.12	12.98	-0.14	390	0.0000	12.40	
2018	13.37	13.00	-0.38	385	0.0000	12.40	
2019	13.62	13.01	-0.61	380	0.0000	12.40	
2020	13.86	13.03	-0.83	374	0.0000	12.40	
2021	14.06	13.04	-1.01	367	0.0000	12.40	
2022	14.25	13.06	-1.19	360	0.0000	12.40	
2023	14.45	13.07	-1.38	352	0.0000	12.40	
2024	14.63	13.08	-1.55	343	0.0000	12.40	
2025	14.81	13.10	-1.72	333	0.0000	12.40	
2026	14.99	13.11	-1.88	323	0.0000	12.40	
2027	15.15	13.12	-2.03	312	0.0000	12.40	
2028	15.29	13.13	-2.16	300	0.0000	12.40	
2029	15.41	13.14	-2.27	288	0.0000	12.40	
2030	15.50	13.15	-2.35	276	0.0000	12.40	
2031	15.55	13.15	-2.40	264	0.0000	12.40	
2032	15.58	13.16	-2.43	252	0.0000	12.40	
2033	15.59	13.16	-2.43	239	0.0000	12.40	
2034	15.56	13.16	-2.40	228	0.0000	12.40	
2035	15.52	13.16	-2.36	216	0.0000	12.40	
2036	15.46	13.16	-2.30	204	0.0000	12.40	
2037	15.38	13.15	-2.23	193	0.0000	12.40	
2038	15.29	13.15	-2.14	183	0.0000	12.40	
2039	15.19	13.15	-2.04	172	0.0000	12.40	
2040	15.07	13.14	-1.93	162	0.0000	12.40	
2041	14.95	13.14	-1.81	153	0.0000	12.40	
2042	14.82	13.13	-1.69	144	0.0000	12.40	
2043	14.70	13.13	-1.57	136	0.0000	12.40	
2044	14.58	13.12	-1.46	128	0.0000	12.40	
2045	14.46	13.11	-1.34	121	0.0000	12.40	
2046	14.34	13.11	-1.23	114	0.0000	12.40	
2047	14.23	13.10	-1.13	108	0.0000	12.40	
2048	14.12	13.60	-0.52	102	0.5000	12.90	0.50
2049	14.02	13.69	-0.32	100	0.1000	13.00	0.60
2050	13.92	13.69	-0.23	100	0.0000	13.00	0.60
2051	13.83	13.48	-0.34	100	-0.2000	12.80	0.40
2052	13.74	13.48	-0.26	100	0.0000	12.80	0.40
2053	13.66	13.38	-0.28	100	-0.1000	12.70	0.30
2054	13.58	13.37	-0.21	100	0.0000	12.70	0.30
2055	13.51	13.27	-0.24	100	-0.1000	12.60	0.20
2056	13.44	13.17	-0.27	100	-0.1000	12.50	0.10
2057	13.37	13.16	-0.21	100	0.0000	12.50	0.10
2058	13.31	13.06	-0.25	100	-0.1000	12.40	
2059	13.24	13.06	-0.18	100	0.0000	12.40	
2060	13.18	13.05	-0.13	100	0.0000	12.40	
2061	13.12	13.05	-0.07	101	0.0000	12.40	
2062	13.07	13.05	-0.02	102	0.0000	12.40	
2063	13.01	13.05	0.03	103	0.0000	12.40	
2064	12.97	13.04	0.08	105	0.0000	12.40	
2065	12.92	13.04	0.12	108	0.0000	12.40	
2066	12.89	13.04	0.15	110	0.0000	12.40	
2067	12.86	13.04	0.18	113	0.0000	12.40	
2068	12.83	13.04	0.21	116	0.0000	12.40	
2069	12.80	13.04	0.24	119	0.0000	12.40	
2070	12.78	13.04	0.25	123	0.0000	12.40	
2071	12.76	13.03	0.27	127	0.0000	12.40	
2072	12.75	13.03	0.29	131	0.0000	12.40	
2073	12.74	13.03	0.30	135	0.0000	12.40	
2074	12.73	13.03	0.31	139	0.0000	12.40	
2075	12.72	13.03	0.31	143	0.0000	12.40	
2076	12.71	13.03	0.32	147	0.0000	12.40	
2077	12.71	13.03	0.32	152	0.0000	12.40	
2078	12.71	13.03	0.32	156	0.0000	12.40	
2079	12.71	13.03	0.32	161	0.0000	12.40	
2080	12.72	13.03	0.32	165	0.0000	12.40	
2081	12.72	13.03	0.31	170	0.0000	12.40	
2082	12.73	13.03	0.31	175	0.0000	12.40	
2083	12.73	13.03	0.30	179	0.0000	12.40	

Summarized OASDI

	<u>Cost Rate</u>	<u>Income Rate</u>	<u>Actuarial Balance</u>	<u>Change in Actuarial Balance</u>
2008 - 2082	13.80	13.88	0.08	1.78

¹ Includes General Fund Transfers

² Amounts needed to maintain 100 percent Trust Fund Ratio.

Table 1a - Proposal General Fund Transfers, OASDI Trust Fund Assets, and Theoretical OASDI Assets

Bennett Proposal

Calendar Year	Proposal General Fund Transfers				Total OASDI Trust Fund Assets at End of Year (5)	GDP (6)	Theoretical Social Security ¹ with Borrowing Authority	
	Annual Amounts (1)	Percentage of Payroll (2)	Annual Amounts (3)	Accumulated as of End of Year (4)			Net OASDI Trust Fund Assets at End of Year	
							Without General Fund Transfers (7)	With Plan General Fund Transfers (8)
	Present Value as of 1-1-08		Billions of Constant 2008 Dollars		Billions of Constant 2008 Dollars			
2008	0.0	0.00	0.0	0	2,435	14,445	2,435	2,435
2009	0.0	0.00	0.0	0	2,583	14,793	2,583	2,583
2010	0.0	0.00	0.0	0	2,727	15,135	2,727	2,727
2011	0.0	0.00	0.0	0	2,869	15,451	2,869	2,869
2012	0.0	0.00	0.0	0	3,006	15,768	3,005	3,005
2013	0.0	0.00	0.0	0	3,135	16,093	3,132	3,132
2014	0.0	0.00	0.0	0	3,254	16,416	3,247	3,247
2015	0.0	0.00	0.0	0	3,361	16,724	3,349	3,349
2016	0.0	0.00	0.0	0	3,454	17,042	3,437	3,437
2017	0.0	0.00	0.0	0	3,535	17,363	3,510	3,510
2018	0.0	0.00	0.0	0	3,604	17,682	3,568	3,568
2019	0.0	0.00	0.0	0	3,660	18,001	3,609	3,609
2020	0.0	0.00	0.0	0	3,703	18,322	3,632	3,632
2021	0.0	0.00	0.0	0	3,735	18,644	3,637	3,637
2022	0.0	0.00	0.0	0	3,755	18,968	3,625	3,625
2023	0.0	0.00	0.0	0	3,762	19,295	3,592	3,592
2024	0.0	0.00	0.0	0	3,754	19,629	3,540	3,540
2025	0.0	0.00	0.0	0	3,731	19,964	3,466	3,466
2026	0.0	0.00	0.0	0	3,693	20,306	3,372	3,372
2027	0.0	0.00	0.0	0	3,640	20,651	3,257	3,257
2028	0.0	0.00	0.0	0	3,574	21,003	3,121	3,121
2029	0.0	0.00	0.0	0	3,494	21,364	2,964	2,964
2030	0.0	0.00	0.0	0	3,402	21,732	2,786	2,786
2031	0.0	0.00	0.0	0	3,301	22,111	2,589	2,589
2032	0.0	0.00	0.0	0	3,191	22,498	2,373	2,373
2033	0.0	0.00	0.0	0	3,075	22,897	2,139	2,139
2034	0.0	0.00	0.0	0	2,954	23,305	1,889	1,889
2035	0.0	0.00	0.0	0	2,831	23,720	1,624	1,624
2036	0.0	0.00	0.0	0	2,706	24,140	1,345	1,345
2037	0.0	0.00	0.0	0	2,580	24,568	1,051	1,051
2038	0.0	0.00	0.0	0	2,456	25,007	744	744
2039	0.0	0.00	0.0	0	2,335	25,456	425	425
2040	0.0	0.00	0.0	0	2,218	25,914	94	94
2041	0.0	0.00	0.0	0	2,105	26,379	-248	-248
2042	0.0	0.00	0.0	0	1,998	26,852	-601	-601
2043	0.0	0.00	0.0	0	1,898	27,333	-966	-966
2044	0.0	0.00	0.0	0	1,803	27,824	-1,344	-1,344
2045	0.0	0.00	0.0	0	1,716	28,319	-1,735	-1,735
2046	0.0	0.00	0.0	0	1,635	28,818	-2,139	-2,139
2047	0.0	0.00	0.0	0	1,561	29,324	-2,559	-2,559
2048	17.1	0.50	52.6	53	1,548	29,838	-2,994	-2,941
2049	20.3	0.60	64.2	118	1,556	30,357	-3,445	-3,327
2050	20.0	0.60	65.2	187	1,574	30,882	-3,914	-3,727
2051	13.2	0.40	44.1	236	1,580	31,413	-4,402	-4,166
2052	13.0	0.40	44.8	288	1,594	31,955	-4,911	-4,623
2053	9.6	0.30	34.1	331	1,606	32,508	-5,441	-5,110
2054	9.5	0.30	34.6	375	1,626	33,069	-5,994	-5,619
2055	6.3	0.20	23.5	409	1,643	33,638	-6,571	-6,162
2056	3.1	0.10	11.9	433	1,655	34,213	-7,173	-6,741
2057	3.0	0.10	12.1	458	1,676	34,800	-7,803	-7,345
2058	0.0	0.00	0.0	471	1,692	35,397	-8,460	-7,989
2059	0.0	0.00	0.0	484	1,716	36,008	-9,146	-8,661
2060	0.0	0.00	0.0	499	1,747	36,626	-9,861	-9,362
2061	0.0	0.00	0.0	513	1,787	37,253	-10,607	-10,094
2062	0.0	0.00	0.0	528	1,835	37,893	-11,385	-10,857
2063	0.0	0.00	0.0	543	1,891	38,544	-12,196	-11,653
2064	0.0	0.00	0.0	559	1,955	39,207	-13,041	-12,483
2065	0.0	0.00	0.0	575	2,027	39,881	-13,923	-13,348
2066	0.0	0.00	0.0	592	2,105	40,563	-14,842	-14,250
2067	0.0	0.00	0.0	609	2,191	41,258	-15,799	-15,190
2068	0.0	0.00	0.0	627	2,284	41,966	-16,798	-16,171
2069	0.0	0.00	0.0	645	2,384	42,682	-17,837	-17,193
2070	0.0	0.00	0.0	664	2,490	43,406	-18,921	-18,258
2071	0.0	0.00	0.0	683	2,602	44,140	-20,051	-19,368
2072	0.0	0.00	0.0	703	2,720	44,892	-21,227	-20,525
2073	0.0	0.00	0.0	723	2,844	45,656	-22,453	-21,730
2074	0.0	0.00	0.0	744	2,975	46,430	-23,730	-22,986
2075	0.0	0.00	0.0	765	3,111	47,217	-25,059	-24,294
2076	0.0	0.00	0.0	788	3,252	48,013	-26,444	-25,656
2077	0.0	0.00	0.0	811	3,399	48,823	-27,885	-27,074
2078	0.0	0.00	0.0	834	3,551	49,641	-29,385	-28,551
2079	0.0	0.00	0.0	858	3,707	50,473	-30,947	-30,089
2080	0.0	0.00	0.0	883	3,869	51,316	-32,572	-31,689
2081	0.0	0.00	0.0	909	4,035	52,175	-34,263	-33,355
2082	0.0	0.00	0.0	935	4,206	53,047	-36,023	-35,088
2083	0.0	0.00	0.0	962	4,381	53,931	-37,852	-36,890
Total 2008-82	115.2							

¹ Theoretical Social Security is the current Social Security program with the assumption that the law is modified to permit borrowing from the General Fund of the Treasury. Based on Intermediate Assumptions of the 2008 Trustees Report

Table 1b - OASDI Changes (Excluding GF Transfers) & Unified Budget Effect (Present Value Dollars)
Bennett Proposal

Year	Changes in OASDI Cash Flow Excluding General Fund Transfers (1)	Change in Annual Unified Budget Cash Flow (2)	Change in Debt Held by Public at End of Year (3)	Change in Annual Unified Budget Balance (4)
	<i>Billions of Present Value Dollars as of 1-1-2008</i>			
2009	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0
2012	0.8	0.8	-0.8	0.8
2013	1.9	1.9	-2.7	1.9
2014	3.0	3.0	-5.7	3.2
2015	3.7	3.7	-9.4	4.0
2016	3.8	3.8	-13.2	4.3
2017	5.8	5.8	-19.0	6.5
2018	7.8	7.8	-26.8	8.8
2019	10.3	10.3	-37.1	11.7
2020	13.1	13.1	-50.2	15.1
2021	16.8	16.8	-67.0	19.5
2022	19.9	19.9	-86.9	23.6
2023	22.7	22.7	-109.6	27.4
2024	25.1	25.1	-134.7	31.1
2025	27.3	27.3	-162.1	34.7
2026	28.7	28.7	-190.8	37.6
2027	30.5	30.5	-221.3	40.9
2028	32.8	32.8	-254.1	44.9
2029	35.0	35.0	-289.0	48.8
2030	37.3	37.3	-326.3	53.1
2031	40.1	40.1	-366.5	57.9
2032	42.9	42.9	-409.4	62.9
2033	45.6	45.6	-455.0	68.0
2034	48.3	48.3	-503.3	73.1
2035	50.9	50.9	-554.1	78.4
2036	53.4	53.4	-607.5	83.7
2037	55.9	55.9	-663.4	89.1
2038	58.3	58.3	-721.8	94.6
2039	60.6	60.6	-782.4	100.1
2040	62.8	62.8	-845.2	105.6
2041	65.0	65.0	-910.2	111.2
2042	67.1	67.1	-977.3	116.8
2043	69.1	69.1	-1046.4	122.5
2044	71.1	71.1	-1117.5	128.3
2045	73.1	73.1	-1190.6	134.2
2046	75.0	75.0	-1265.6	140.1
2047	76.9	76.9	-1342.5	146.1
2048	78.7	78.7	-1421.3	152.1
2049	80.5	80.5	-1501.8	158.2
2050	82.3	82.3	-1584.1	164.3
2051	84.0	84.0	-1668.0	170.5
2052	85.6	85.6	-1753.7	176.8
2053	87.3	87.3	-1840.9	183.1
2054	88.9	88.9	-1929.8	189.5
2055	90.4	90.4	-2020.2	195.9
2056	91.9	91.9	-2112.2	202.3
2057	93.4	93.4	-2205.6	208.8
2058	94.8	94.8	-2300.3	215.3
2059	96.0	96.0	-2396.3	221.7
2060	97.1	97.1	-2493.4	228.1
2061	98.1	98.1	-2591.6	234.4
2062	99.0	99.0	-2690.6	240.6
2063	99.8	99.8	-2790.3	246.8
2064	100.4	100.4	-2890.7	252.9
2065	100.9	100.9	-2991.6	258.9
2066	101.3	101.3	-3092.9	264.8
2067	101.6	101.6	-3194.5	270.6
2068	101.8	101.8	-3296.2	276.3
2069	101.9	101.9	-3398.1	282.0
2070	101.9	101.9	-3499.9	287.6
2071	101.9	101.9	-3601.8	293.1
2072	101.8	101.8	-3703.6	298.6
2073	101.6	101.6	-3805.2	304.0
2074	101.4	101.4	-3906.5	309.3
2075	101.1	101.1	-4007.7	314.6
2076	100.8	100.8	-4108.5	319.8
2077	100.5	100.5	-4208.9	325.0
2078	100.1	100.1	-4309.0	330.1
2079	99.6	99.6	-4408.7	335.1
2080	99.2	99.2	-4507.8	340.1
2081	98.7	98.7	-4606.5	345.0
2082	98.2	98.2	-4704.7	349.9
2083	<u>97.6</u>	<u>97.6</u>	-4802.3	354.7
Total 2008-82	4704.7	4704.7		

Based on Intermediate Assumptions of the 2008 Trustees Report.
 Ultimate Real Trust Fund Yield of 2.9%.

Office of the Chief Actuary
 Social Security Administration
 February 10, 2009

Table 1b.c - OASDI Changes (Excluding GF Transfers) & Unified Budget Effect (Constant Dollars)
Bennett Proposal

Year	Changes in OASDI Cash Flow Excluding General Fund Transfers (1)	Change in Annual Unified Budget Cash Flow (2)	Change in Debt Held by Public at End of Year (3)	Change in Annual Unified Budget Balance (4)
	<i>Billions of Constant 2008 Dollars</i>			
2009	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0
2012	1.0	1.0	-1.0	1.0
2013	2.1	2.1	-3.2	2.2
2014	3.6	3.6	-7.0	3.8
2015	4.4	4.4	-11.7	4.9
2016	4.7	4.7	-16.8	5.5
2017	7.4	7.4	-24.8	8.5
2018	10.2	10.2	-36.0	11.8
2019	13.8	13.8	-51.2	16.2
2020	18.1	18.1	-71.2	21.4
2021	23.8	23.8	-97.7	28.5
2022	29.1	29.1	-130.5	35.4
2023	34.1	34.1	-169.3	42.4
2024	38.9	38.9	-214.2	49.5
2025	43.5	43.5	-265.1	56.8
2026	47.0	47.0	-321.2	63.3
2027	51.3	51.3	-383.3	70.9
2028	56.9	56.9	-452.9	80.0
2029	62.3	62.3	-530.1	89.6
2030	68.5	68.5	-616.0	100.3
2031	75.7	75.7	-711.8	112.5
2032	83.4	83.4	-818.1	125.8
2033	91.2	91.2	-935.7	139.8
2034	99.3	99.3	-1,065.0	154.8
2035	107.7	107.7	-1,206.6	170.6
2036	116.4	116.4	-1,361.3	187.5
2037	125.4	125.4	-1,529.7	205.5
2038	134.6	134.6	-1,712.4	224.4
2039	143.9	143.9	-1,910.1	244.3
2040	153.5	153.5	-2,123.4	265.3
2041	163.3	163.3	-2,352.9	287.3
2042	173.4	173.4	-2,599.5	310.7
2043	183.9	183.9	-2,864.1	335.4
2044	194.8	194.8	-3,147.5	361.4
2045	206.0	206.0	-3,450.6	388.8
2046	217.5	217.5	-3,774.4	417.8
2047	229.5	229.5	-4,119.8	448.3
2048	241.7	241.7	-4,487.9	480.3
2049	254.4	254.4	-4,879.7	514.0
2050	267.4	267.4	-5,296.3	549.5
2051	280.9	280.9	-5,738.7	586.7
2052	294.8	294.8	-6,208.3	625.9
2053	309.1	309.1	-6,706.3	667.1
2054	323.9	323.9	-7,234.0	710.3
2055	339.1	339.1	-7,792.5	755.6
2056	354.8	354.8	-8,383.4	803.1
2057	370.8	370.8	-9,008.0	852.9
2058	387.2	387.2	-9,667.4	904.8
2059	403.6	403.6	-10,362.9	958.8
2060	420.2	420.2	-11,095.6	1,015.0
2061	436.9	436.9	-11,866.6	1,073.3
2062	453.6	453.6	-12,677.3	1,133.9
2063	470.3	470.3	-13,528.6	1,196.6
2064	486.9	486.9	-14,421.7	1,261.6
2065	503.6	503.6	-15,357.9	1,329.0
2066	520.2	520.2	-16,338.3	1,398.7
2067	536.9	536.9	-17,364.3	1,471.0
2068	553.4	553.4	-18,437.0	1,545.7
2069	570.0	570.0	-19,557.9	1,623.1
2070	586.7	586.7	-20,728.5	1,703.3
2071	603.5	603.5	-21,950.3	1,786.4
2072	620.5	620.5	-23,225.0	1,872.6
2073	637.5	637.5	-24,554.2	1,961.7
2074	654.6	654.6	-25,939.5	2,054.1
2075	671.8	671.8	-27,382.6	2,149.7
2076	689.1	689.1	-28,885.5	2,248.7
2077	706.7	706.7	-30,450.0	2,351.3
2078	724.3	724.3	-32,078.1	2,457.4
2079	742.1	742.1	-33,771.6	2,567.3
2080	760.1	760.1	-35,532.8	2,681.0
2081	778.2	778.2	-37,363.6	2,798.7
2082	796.6	796.6	-39,266.5	2,920.5
2083	815.1	815.1	-41,243.5	3,046.6

Based on Intermediate Assumptions of the 2008 Trustees Report.
 Ultimate Real Trust Fund Yield of 2.9%.

Office of the Chief Actuary
 Social Security Administration
 February 10, 2009

**Table 1c - OASDI Cash Flow to General Fund of the Treasury - Proposal vs. Theoretical OASDI
Bennett Proposal**

Year	Proposal				Social Security under Present Law			
	Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year ¹				Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year ¹			
	Percentage of Payroll	Billions of Dollars			Percentage of Payroll	Billions of Dollars		
	Current \$	1-1-2008 PV	Constant 2008 \$		Current \$	1-1-2008 PV	Constant 2008 \$	
2008	1.4	80	78	80	1.4	80	78	80
2009	1.5	88	82	86	1.5	88	82	86
2010	1.4	89	78	84	1.4	89	78	84
2011	1.3	84	70	77	1.3	84	70	77
2012	1.1	75	60	68	1.1	74	59	67
2013	0.9	63	48	55	0.9	61	46	53
2014	0.6	47	34	40	0.6	43	31	37
2015	0.4	29	20	24	0.3	24	16	19
2016	0.1	8	5	6	0.0	2	1	2
2017	-0.2	-13	-8	-10	-0.3	-22	-14	-17
2018	-0.4	-34	-20	-26	-0.5	-48	-28	-36
2019	-0.6	-57	-31	-42	-0.8	-75	-41	-56
2020	-0.8	-80	-42	-58	-1.1	-105	-55	-76
2021	-1.0	-102	-50	-72	-1.4	-136	-67	-95
2022	-1.2	-125	-58	-85	-1.6	-168	-78	-114
2023	-1.4	-150	-66	-100	-1.9	-202	-89	-134
2024	-1.6	-176	-74	-114	-2.1	-237	-99	-153
2025	-1.7	-204	-80	-128	-2.3	-273	-108	-171
2026	-1.9	-233	-87	-142	-2.5	-310	-116	-189
2027	-2.0	-262	-92	-156	-2.7	-348	-123	-207
2028	-2.2	-290	-97	-167	-2.9	-388	-129	-224
2029	-2.3	-318	-100	-179	-3.1	-429	-135	-241
2030	-2.4	-344	-102	-188	-3.2	-469	-140	-256
2031	-2.4	-366	-103	-194	-3.3	-508	-143	-270
2032	-2.4	-386	-103	-200	-3.5	-547	-146	-283
2033	-2.4	-403	-101	-203	-3.5	-585	-147	-294
2034	-2.4	-417	-99	-204	-3.6	-620	-147	-303
2035	-2.4	-427	-96	-203	-3.6	-653	-147	-311
2036	-2.3	-435	-92	-201	-3.6	-686	-146	-318
2037	-2.2	-440	-88	-198	-3.7	-719	-144	-324
2038	-2.2	-442	-84	-193	-3.6	-749	-142	-328
2039	-2.0	-439	-79	-187	-3.6	-777	-139	-331
2040	-1.9	-434	-74	-180	-3.6	-804	-136	-333
2041	-1.8	-426	-68	-172	-3.6	-831	-133	-335
2042	-1.7	-416	-63	-163	-3.5	-858	-130	-337
2043	-1.6	-405	-58	-154	-3.5	-887	-127	-338
2044	-1.5	-391	-53	-145	-3.4	-916	-124	-340
2045	-1.4	-377	-48	-136	-3.4	-947	-121	-342
2046	-1.2	-361	-44	-127	-3.4	-981	-119	-345
2047	-1.1	-345	-40	-118	-3.4	-1,017	-116	-347
2048	-1.0	-328	-35	-109	-3.3	-1,055	-114	-351
2049	-0.9	-309	-32	-100	-3.3	-1,096	-112	-354
2050	-0.8	-291	-28	-91	-3.3	-1,141	-110	-359
2051	-0.8	-273	-25	-83	-3.3	-1,190	-109	-364
2052	-0.7	-254	-22	-75	-3.3	-1,244	-108	-370
2053	-0.6	-234	-19	-68	-3.3	-1,302	-106	-377
2054	-0.5	-214	-17	-60	-3.3	-1,364	-105	-384
2055	-0.5	-193	-14	-53	-3.3	-1,431	-105	-392
2056	-0.4	-172	-12	-46	-3.4	-1,504	-104	-401
2057	-0.3	-150	-10	-39	-3.4	-1,580	-103	-410
2058	-0.3	-126	-8	-32	-3.4	-1,661	-103	-419
2059	-0.2	-100	-6	-25	-3.4	-1,745	-102	-428
2060	-0.1	-73	-4	-17	-3.5	-1,834	-101	-438
2061	-0.1	-46	-2	-11	-3.5	-1,927	-100	-447
2062	0.0	-17	-1	-4	-3.5	-2,026	-100	-457
2063	0.0	12	1	3	-3.5	-2,129	-99	-468
2064	0.1	41	2	9	-3.6	-2,237	-99	-478
2065	0.1	70	3	14	-3.6	-2,353	-98	-489
2066	0.1	96	4	19	-3.6	-2,477	-98	-501
2067	0.2	122	5	24	-3.6	-2,607	-97	-513
2068	0.2	149	5	28	-3.7	-2,744	-97	-525
2069	0.2	175	6	32	-3.7	-2,888	-96	-537
2070	0.2	198	6	36	-3.7	-3,042	-96	-551
2071	0.3	220	7	39	-3.8	-3,206	-95	-565
2072	0.3	243	7	42	-3.8	-3,378	-95	-579
2073	0.3	265	7	44	-3.8	-3,560	-95	-593
2074	0.3	286	7	46	-3.9	-3,752	-94	-608
2075	0.3	306	7	48	-3.9	-3,954	-94	-623
2076	0.3	325	7	50	-4.0	-4,168	-94	-639
2077	0.3	342	7	51	-4.0	-4,394	-93	-656
2078	0.3	357	7	52	-4.0	-4,633	-93	-673
2079	0.3	370	7	52	-4.1	-4,886	-93	-690
2080	0.3	382	7	52	-4.1	-5,152	-92	-708
2081	0.3	392	7	52	-4.2	-5,432	-92	-726
2082	0.3	401	6	52	-4.2	-5,727	-92	-744
2083	0.3	410	6	52	-4.3	-6,038	-91	-763
Total 2008-82			-1,846				-6,551	

¹ Equals net investment in special Treasury Bonds by the Trust Fund

Based on Intermediate Assumptions of the 2008 Trustees Report.

Table 1d - Change in Long-Range Trust Fund Assets / Unfunded Obligation
Bennett Proposal

Year	Present Law OASDI Trust Fund Assets / Unfunded Obligation Through End of Year (1)	Basic Changes in OASDI Cash Flow (2)	General Fund Contributions to Accounts (3)	Total Change Through End of Year ¹ (4)	Proposal OASDI Trust Fund Assets / Unfunded Obligation Through End of Year (5)
	<i>Billions of Present Value Dollars as of 1-1-2008</i>				
2009	2,397.3	0.0	0.0	0.0	2,397.3
2010	2,475.3	0.0	0.0	0.0	2,475.3
2011	2,545.3	0.0	0.0	0.0	2,545.3
2012	2,604.4	0.8	0.0	0.8	2,605.3
2013	2,650.1	1.9	0.0	2.7	2,652.8
2014	2,680.9	3.0	0.0	5.7	2,686.7
2015	2,696.8	3.7	0.0	9.4	2,706.3
2016	2,697.9	3.8	0.0	13.2	2,711.1
2017	2,684.0	5.8	0.0	19.0	2,703.0
2018	2,656.2	7.8	0.0	26.8	2,683.0
2019	2,614.6	10.3	0.0	37.1	2,651.7
2020	2,559.7	13.1	0.0	50.2	2,609.8
2021	2,492.4	16.8	0.0	67.0	2,559.4
2022	2,413.9	19.9	0.0	86.9	2,500.8
2023	2,324.9	22.7	0.0	109.6	2,434.5
2024	2,226.2	25.1	0.0	134.7	2,360.9
2025	2,118.5	27.3	0.0	162.1	2,280.6
2026	2,003.0	28.7	0.0	190.8	2,193.8
2027	1,880.2	30.5	0.0	221.3	2,101.4
2028	1,750.7	32.8	0.0	254.1	2,004.8
2029	1,615.6	35.0	0.0	289.0	1,904.6
2030	1,476.0	37.3	0.0	326.3	1,802.3
2031	1,332.9	40.1	0.0	366.5	1,699.3
2032	1,187.2	42.9	0.0	409.4	1,596.6
2033	1,040.1	45.6	0.0	455.0	1,495.1
2034	892.8	48.3	0.0	503.3	1,396.0
2035	745.9	50.9	0.0	554.1	1,300.0
2036	600.0	53.4	0.0	607.5	1,207.6
2037	455.7	55.9	0.0	663.4	1,119.1
2038	313.5	58.3	0.0	721.8	1,035.3
2039	174.0	60.6	0.0	782.4	956.4
2040	37.5	62.8	0.0	845.2	882.8
2041	-95.8	65.0	0.0	910.2	814.4
2042	-226.0	67.1	0.0	977.3	751.3
2043	-353.1	69.1	0.0	1046.4	693.3
2044	-477.2	71.1	0.0	1117.5	640.3
2045	-598.6	73.1	0.0	1190.6	592.0
2046	-717.4	75.0	0.0	1265.6	548.2
2047	-833.9	76.9	0.0	1342.5	508.7
2048	-948.1	78.7	17.1	1438.4	490.3
2049	-1,060.3	80.5	20.3	1539.3	479.0
2050	-1,170.7	82.3	20.0	1641.6	470.9
2051	-1,279.6	84.0	13.2	1738.7	459.1
2052	-1,387.1	85.6	13.0	1837.4	450.2
2053	-1,493.5	87.3	9.6	1934.3	440.7
2054	-1,598.9	88.9	9.5	2032.7	433.7
2055	-1,703.5	90.4	6.3	2129.3	425.9
2056	-1,807.3	91.9	3.1	2224.4	417.0
2057	-1,910.5	93.4	3.0	2320.8	410.3
2058	-2,013.0	94.8	0.0	2415.5	402.5
2059	-2,114.8	96.0	0.0	2511.5	396.7
2060	-2,216.0	97.1	0.0	2608.7	392.7
2061	-2,316.5	98.1	0.0	2706.8	390.3
2062	-2,416.3	99.0	0.0	2805.8	389.5
2063	-2,515.5	99.8	0.0	2905.5	390.1
2064	-2,614.0	100.4	0.0	3005.9	391.9
2065	-2,712.0	100.9	0.0	3106.8	394.8
2066	-2,809.5	101.3	0.0	3208.1	398.6
2067	-2,906.6	101.6	0.0	3309.7	403.1
2068	-3,003.1	101.8	0.0	3411.4	408.3
2069	-3,099.1	101.9	0.0	3513.3	414.1
2070	-3,194.8	101.9	0.0	3615.2	420.4
2071	-3,290.1	101.9	0.0	3717.0	426.9
2072	-3,385.0	101.8	0.0	3818.8	433.8
2073	-3,479.6	101.6	0.0	3920.4	440.8
2074	-3,573.8	101.4	0.0	4021.8	448.0
2075	-3,667.6	101.1	0.0	4122.9	455.3
2076	-3,761.2	100.8	0.0	4223.7	462.5
2077	-3,854.4	100.5	0.0	4324.2	469.8
2078	-3,947.3	100.1	0.0	4424.2	476.9
2079	-4,039.9	99.6	0.0	4523.9	484.0
2080	-4,132.3	99.2	0.0	4623.1	490.8
2081	-4,224.3	98.7	0.0	4721.7	497.5
2082	-4,316.0	<u>98.2</u>	<u>0.0</u>	4819.9	503.9
Total 2009-2082		4,704.7	115.2		

¹ Total change through the year is the accumulation of changes in columns 2 and 3.
Based on Intermediate Assumptions of the 2008 Trustees Report.
Ultimate Real Trust Fund Yield of 2.9%.

Table 2 - Bennett Solvency Bill: Without General Fund Transfers to Maintain 100% Trust Fund Ratio

Progressive price indexing starting 2012 and suspended 2071-2083; disabled beneficiaries and young survivors held harmless
 Index OASI benefits for increases in life expectancy starting 2018; disabled beneficiaries and young survivors held harmless
 Start increase in normal retirement age to 67 in 2012

<u>Year</u>	<u>Cost Rate</u>	<u>Income Rate</u>	<u>Annual Balance</u>	<u>TFR 1-1-yr</u>	<u>OASDI Contribution Rate Change</u>	<u>OASDI Contribution Rate</u>	<u>General Revenue Transfers</u>
2008	11.20	12.77	1.57	359		12.40	
2009	11.26	12.81	1.54	369	0.0000	12.40	
2010	11.37	12.82	1.46	378	0.0000	12.40	
2011	11.53	12.84	1.31	386	0.0000	12.40	
2012	11.74	12.87	1.12	392	0.0000	12.40	
2013	11.99	12.90	0.91	395	0.0000	12.40	
2014	12.26	12.91	0.66	397	0.0000	12.40	
2015	12.54	12.94	0.39	396	0.0000	12.40	
2016	12.85	12.96	0.11	393	0.0000	12.40	
2017	13.12	12.98	-0.14	390	0.0000	12.40	
2018	13.37	13.00	-0.38	385	0.0000	12.40	
2019	13.62	13.01	-0.61	380	0.0000	12.40	
2020	13.86	13.03	-0.83	374	0.0000	12.40	
2021	14.06	13.04	-1.01	367	0.0000	12.40	
2022	14.25	13.06	-1.19	360	0.0000	12.40	
2023	14.45	13.07	-1.38	352	0.0000	12.40	
2024	14.63	13.08	-1.55	343	0.0000	12.40	
2025	14.81	13.10	-1.72	333	0.0000	12.40	
2026	14.99	13.11	-1.88	323	0.0000	12.40	
2027	15.15	13.12	-2.03	312	0.0000	12.40	
2028	15.29	13.13	-2.16	300	0.0000	12.40	
2029	15.41	13.14	-2.27	288	0.0000	12.40	
2030	15.50	13.15	-2.35	276	0.0000	12.40	
2031	15.55	13.15	-2.40	264	0.0000	12.40	
2032	15.58	13.16	-2.43	252	0.0000	12.40	
2033	15.59	13.16	-2.43	239	0.0000	12.40	
2034	15.56	13.16	-2.40	228	0.0000	12.40	
2035	15.52	13.16	-2.36	216	0.0000	12.40	
2036	15.46	13.16	-2.30	204	0.0000	12.40	
2037	15.38	13.15	-2.23	193	0.0000	12.40	
2038	15.29	13.15	-2.14	183	0.0000	12.40	
2039	15.19	13.15	-2.04	172	0.0000	12.40	
2040	15.07	13.14	-1.93	162	0.0000	12.40	
2041	14.95	13.14	-1.81	153	0.0000	12.40	
2042	14.82	13.13	-1.69	144	0.0000	12.40	
2043	14.70	13.13	-1.57	136	0.0000	12.40	
2044	14.58	13.12	-1.46	128	0.0000	12.40	
2045	14.46	13.11	-1.34	121	0.0000	12.40	
2046	14.34	13.11	-1.23	114	0.0000	12.40	
2047	14.23	13.10	-1.13	108	0.0000	12.40	
2048	14.12	13.10	-1.02	102	0.0000	12.40	
2049	14.02	13.09	-0.92	97	0.0000	12.40	
2050	13.92	13.09	-0.83	92	0.0000	12.40	
2051	13.83	13.08	-0.74	88	0.0000	12.40	
2052	13.74	13.08	-0.66	84	0.0000	12.40	
2053	13.66	13.08	-0.58	81	0.0000	12.40	
2054	13.58	13.07	-0.51	78	0.0000	12.40	
2055	13.51	13.07	-0.44	76	0.0000	12.40	
2056	13.44	13.07	-0.37	74	0.0000	12.40	
2057	13.37	13.06	-0.31	73	0.0000	12.40	
2058	13.31	13.06	-0.25	72	0.0000	12.40	
2059	13.24	13.06	-0.18	71	0.0000	12.40	
2060	13.18	13.05	-0.12	71	0.0000	12.40	
2061	13.11	13.05	-0.06	71	0.0000	12.40	
2062	13.05	13.05	0.00	72	0.0000	12.40	
2063	12.99	13.05	0.05	73	0.0000	12.40	
2064	12.93	13.04	0.11	75	0.0000	12.40	
2065	12.88	13.04	0.16	77	0.0000	12.40	
2066	12.82	13.04	0.21	79	0.0000	12.40	
2067	12.77	13.03	0.26	82	0.0000	12.40	
2068	12.72	13.03	0.31	86	0.0000	12.40	
2069	12.67	13.03	0.36	90	0.0000	12.40	
2070	12.63	13.03	0.40	94	0.0000	12.40	
2071	12.58	13.02	0.44	98	0.0000	12.40	
2072	12.54	13.02	0.48	104	0.0000	12.40	
2073	12.50	13.02	0.52	109	0.0000	12.40	
2074	12.46	13.02	0.56	115	0.0000	12.40	
2075	12.43	13.02	0.59	121	0.0000	12.40	
2076	12.40	13.02	0.62	128	0.0000	12.40	
2077	12.37	13.01	0.64	134	0.0000	12.40	
2078	12.35	13.01	0.67	142	0.0000	12.40	
2079	12.33	13.01	0.69	149	0.0000	12.40	
2080	12.31	13.01	0.70	157	0.0000	12.40	
2081	12.30	13.01	0.71	165	0.0000	12.40	
2082	12.28	13.01	0.73	173	0.0000	12.40	
2083	12.27	13.01	0.74	181	0.0000	12.40	
Summarized OASDI							
	<u>Cost Rate</u>	<u>Income Rate</u>	<u>Actuarial Balance</u>	<u>Change in Actuarial Balance</u>			
2008 - 2082	13.76	13.84	0.08	1.78			

Based on Intermediate Assumptions of the 2008 Trustees Report.
 All values are expressed as percents of taxable payroll, except Trust Fund Ratio (TFR).
 Ultimate Real Trust Fund Yield of 2.9%.

Table 3 - Bennett Solvency Bill, Section 2 (with Section 4)

Progressive price indexing starting 2012 and suspended 2058-2083; disabled beneficiaries and young survivors held harmless

<u>Year</u>	<u>Cost Rate</u>	<u>Income Rate</u>	<u>Annual Balance</u>	<u>TFR 1-1-vr</u>	<u>OASDI Contribution Rate Change</u>	<u>OASDI Contribution Rate</u>	<u>General Revenue Transfers</u>
2008	11.20	12.77	1.57	359		12.40	
2009	11.26	12.81	1.54	369	0.0000	12.40	
2010	11.37	12.82	1.46	378	0.0000	12.40	
2011	11.53	12.84	1.31	386	0.0000	12.40	
2012	11.76	12.87	1.11	391	0.0000	12.40	
2013	12.03	12.90	0.88	394	0.0000	12.40	
2014	12.31	12.92	0.61	395	0.0000	12.40	
2015	12.59	12.94	0.34	394	0.0000	12.40	
2016	12.89	12.96	0.07	391	0.0000	12.40	
2017	13.18	12.98	-0.20	387	0.0000	12.40	
2018	13.45	13.00	-0.45	382	0.0000	12.40	
2019	13.72	13.02	-0.70	375	0.0000	12.40	
2020	13.98	13.04	-0.94	368	0.0000	12.40	
2021	14.22	13.05	-1.17	359	0.0000	12.40	
2022	14.44	13.07	-1.38	351	0.0000	12.40	
2023	14.66	13.08	-1.58	341	0.0000	12.40	
2024	14.85	13.10	-1.76	331	0.0000	12.40	
2025	15.04	13.11	-1.93	320	0.0000	12.40	
2026	15.20	13.12	-2.08	308	0.0000	12.40	
2027	15.36	13.13	-2.23	296	0.0000	12.40	
2028	15.50	13.14	-2.36	283	0.0000	12.40	
2029	15.62	13.15	-2.47	270	0.0000	12.40	
2030	15.72	13.16	-2.56	257	0.0000	12.40	
2031	15.79	13.16	-2.62	243	0.0000	12.40	
2032	15.84	13.17	-2.67	229	0.0000	12.40	
2033	15.86	13.17	-2.69	215	0.0000	12.40	
2034	15.85	13.17	-2.68	201	0.0000	12.40	
2035	15.83	13.17	-2.65	188	0.0000	12.40	
2036	15.79	13.17	-2.62	174	0.0000	12.40	
2037	15.74	13.17	-2.56	160	0.0000	12.40	
2038	15.67	13.17	-2.50	147	0.0000	12.40	
2039	15.58	13.17	-2.41	134	0.0000	12.40	
2040	15.49	13.16	-2.32	121	0.0000	12.40	
2041	15.39	13.16	-2.23	108	0.0000	12.40	
2042	15.29	13.16	-2.13	96	0.0000	12.40	
2043	15.18	13.15	-2.03	84	0.0000	12.40	
2044	15.08	13.15	-1.94	72	0.0000	12.40	
2045	14.99	13.14	-1.85	61	0.0000	12.40	
2046	14.90	13.14	-1.76	50	0.0000	12.40	
2047	14.81	13.13	-1.68	39	0.0000	12.40	
2048	14.73	13.13	-1.60	28	0.0000	12.40	
2049	14.65	13.13	-1.52	18	0.0000	12.40	
2050	14.58	13.12	-1.45	8	0.0000	12.40	
2051	14.51	13.12	-1.39	--	0.0000	12.40	
2052	14.45	13.12	-1.34	--	0.0000	12.40	
2053	14.40	13.12	-1.28	--	0.0000	12.40	
2054	14.35	13.11	-1.23	--	0.0000	12.40	
2055	14.30	13.11	-1.19	--	0.0000	12.40	
2056	14.26	13.11	-1.15	--	0.0000	12.40	
2057	14.22	13.11	-1.11	--	0.0000	12.40	
2058	14.18	13.11	-1.07	--	0.0000	12.40	
2059	14.14	13.11	-1.04	--	0.0000	12.40	
2060	14.11	13.10	-1.00	--	0.0000	12.40	
2061	14.07	13.10	-0.97	--	0.0000	12.40	
2062	14.04	13.10	-0.94	--	0.0000	12.40	
2063	14.02	13.10	-0.92	--	0.0000	12.40	
2064	13.99	13.10	-0.89	--	0.0000	12.40	
2065	13.98	13.10	-0.88	--	0.0000	12.40	
2066	13.97	13.10	-0.87	--	0.0000	12.40	
2067	13.96	13.10	-0.86	--	0.0000	12.40	
2068	13.95	13.10	-0.85	--	0.0000	12.40	
2069	13.95	13.10	-0.85	--	0.0000	12.40	
2070	13.96	13.10	-0.86	--	0.0000	12.40	
2071	13.97	13.10	-0.87	--	0.0000	12.40	
2072	13.97	13.10	-0.87	--	0.0000	12.40	
2073	13.99	13.10	-0.89	--	0.0000	12.40	
2074	14.00	13.10	-0.90	--	0.0000	12.40	
2075	14.02	13.10	-0.92	--	0.0000	12.40	
2076	14.04	13.11	-0.94	--	0.0000	12.40	
2077	14.07	13.11	-0.96	--	0.0000	12.40	
2078	14.09	13.11	-0.98	--	0.0000	12.40	
2079	14.12	13.11	-1.01	--	0.0000	12.40	
2080	14.15	13.11	-1.04	--	0.0000	12.40	
2081	14.18	13.11	-1.07	--	0.0000	12.40	
2082	14.22	13.12	-1.10	--	0.0000	12.40	
2083	14.25	13.12	-1.13	--	0.0000	12.40	

Summarized OASDI

	<u>Cost Rate</u>	<u>Income Rate</u>	<u>Actuarial Balance</u>	<u>Change in Actuarial Balance</u>
2008 - 2082	14.30	13.87	-0.44	1.26

Based on Intermediate Assumptions of the 2008 Trustees Report.
 All values are expressed as percents of taxable payroll, except Trust Fund Ratio (TFR).
 Ultimate Real Trust Fund Yield of 2.9%.

Office of the Chief Actuary
 Social Security Administration
 February 10, 2009