



## SOCIAL SECURITY

### MEMORANDUM

Date: April 14, 2005

Refer To: TCA

To: Robert M. Ball

From: Stephen C. Goss  
Chief Actuary

Subject: Estimated OASDI Financial Effects for a Proposal With Six Provisions That Would Improve Social Security Financing --INFORMATION

This memorandum provides estimates for a proposal that you have developed. The attached tables 1 and 2 provide estimates of the effects of the six provisions reflecting both the expected future average return on equities (tables 1) and a low-yield assumption for equities (tables 2). The estimates and descriptions below reflect our understanding of your intent for this proposal. All estimates reflect the intermediate assumptions of the 2004 Trustees Report plus additional assumptions described below. These estimates reflect contributions from many individuals in the Office of the Chief Actuary, particularly Alice Wade, Jason Schultz, Bill Piet, and Chris Chaplain.

The combined effect of the six provisions is expected to eliminate the 75-year long-range actuarial deficit for the OASDI program and leave a significant positive actuarial balance of about 0.65 percent of taxable payroll using the expected equity yield. The ratio of trust fund assets to annual program cost (TFR) is projected to rise consistently throughout the 75-year period. However, the growth in the TFR slows toward the end of the period and annual deficits are gradually increasing, so that some additional "maintenance" of the provisions would eventually be needed after the 75-year period to maintain sustainable solvency. The proposal in fact recommends such further changes in the form of the balancing tax rate. Even in the absence of such maintenance, the Social Security program would be expected to be solvent for several decades beyond the end of the 75-year period.

With the low-yield assumption for equities, the OASDI program would still be projected to be solvent for the 75-year long-range period, but would require larger balancing tax rate increases to achieve sustainable solvency.

#### Descriptions of Six Provisions

1. Increase the OASDI contribution and benefit base by an additional 2 percent (beyond wage indexing) for years 2006 through 2043. This change is projected to result in 90 percent of OASDI covered earnings being taxable for 2043 and later. About 6 percent of covered workers have earnings above the current-law taxable maximum

each year, and would thus be affected by this provision. This provision alone would reduce the OASDI actuarial deficit by an estimated 0.61 percent of payroll.

2. Require that a federal tax be imposed on the value of all estates with assets in excess of \$3.5 million for deaths in 2010 and later. The tax would be 45 percent of any assets in excess of \$3.5 million, and the tax revenue would be credited entirely to the OASI and DI trust funds. The \$3.5 million dollar exemption would be fixed (not indexed) for years after 2010. The levels of the estate tax rate and exemption are equal to those provided in current law for 2009. Under current law, the estate tax would be repealed for 2010, but would be restored with a lower exemption and a higher rate than in effect for 2009. Thus, this provision would effectively redirect a substantial portion of the revenue from the estate tax for years 2011 and later from the general fund of the Treasury to the Social Security trust funds. This provision is projected to reduce the long-range actuarial deficit of the OASDI program by an estimated 0.51 percent of taxable payroll.
3. Gradually invest 20 percent of the OASDI program trust fund assets in equities. In 2006, invest 1 percent of trust fund assets in a broad based indexed fund representing all equities for corporations based in the United States, such as the Wilshire 5000. In each subsequent year, the percentage of trust fund assets invested in equities would be increased by 1 percentage point, until 20 percent of assets are invested in equities, by the end of 2025. This percentage would be maintained thereafter by periodic rebalancing of assets between equities and special obligations of the Treasury. In no case, however, would the trust funds be allowed to hold more than 15 percent of the total value of all equities represented in the broad index.

Subtotal for Provisions 1 through 3--The combined effect of provisions 1 through 3 would reduce the long-range OASDI actuarial deficit from 1.89 percent of payroll by 1.47 percent to a deficit of 0.41 percent of payroll. The resulting actuarial deficit would be less than 5 percent of the long-range summarized cost rate and so the program would meet the test of long-range close actuarial balance with just these provisions.

4. Effective December 2006, base the OASDI COLA on a new CPI-W series that would reflect a superlative formula, of the type currently used for the new "chained" CCPI-U. This provision is assumed to reduce the OASDI annual COLA by an average of 0.22 percentage point. This provision alone would reduce the OASDI actuarial deficit by an estimated 0.35 percent of payroll.
5. Cover under the OASDI program the earnings of all State and local government employees hired in 2009 and later. This provision alone would reduce the OASDI actuarial deficit by an estimated 0.19 percent of payroll.

Subtotal for Provisions 1 through 5--The combined effect of provisions 1 through 5 would improve the long-range OASDI actuarial balance by 1.94 percent of payroll resulting in an estimated positive actuarial balance of 0.05 percent of payroll.

6. Provide for a “balancing tax rate” increase to be effective starting in the first year for which the OASDI combined trust fund ratio (TFR) would otherwise begin to decline under projections reflecting the 5 provisions above, based in the intermediate assumptions of the 2004 Trustees Report. The size of the balancing tax rate increase would be set sufficient to provide for an increasing TFR throughout the 75-year projection period ending with 2078. As shown in table 1, a balancing tax rate increase of 0.5 percent for employers and employees, each, (1 percent for self-employment earnings) would be applied starting in 2023 based on this specification. The incremental effect of this provision on the long-range actuarial balance is projected to be an increase of 0.60 percent of payroll. The proposal would also include a recommendation to future Congresses to adjust the balancing tax rate increase in subsequent years, if needed to continue to maintain a stable or rising TFR.

Total for Provisions 1 through 6--The combined effect of all 6 provisions would be to improve the long-range actuarial balance of the OASDI program by 2.54 percent of payroll to a positive actuarial balance of about 0.65 percent of taxable payroll with expected returns on equities. With a low-yield assumption for equities, equivalent to a “risk-adjusted” return equal to that assumed for long-term Treasury bonds, the long-range actuarial balance would be expected to be improved by 2.23 percent of payroll to a positive balance of 0.35 percent of payroll.

#### Assumptions

As stated above, all estimates are based on the intermediate assumptions of the 2004 Trustees Report. However, several additional assumptions were used in these estimates.

Estimates of the effect of the provision to tax estates of individuals dying in 2010 and later were made with the assistance of the Office of Tax Analysis of the Department of the Treasury, which provided guidance on the expected revenue for this provision under current law through 2009. Our estimates are based on the assumption that the combined value of estates for all persons dying in future years will remain at about the same percentage of gross domestic product (GDP) as estimated for 2009. On this basis, and reflecting the fixed exemption and tax rate for this provision, we estimate that revenue to the OASDI program would increase from 0.41 percent of taxable payroll in 2010 to 0.72 percent of payroll by 2078.

The long term average real return on equities of corporations based in the United States is assumed to average about 6.5 percent for investments made in future years, over long periods of time. Historically, total real equity returns have averaged around 7 percent. However, we believe that several factors including a somewhat lower perceived level of risk from equity investment will result in market pricing of equities that is somewhat higher than in the past, on average, and thus in somewhat lower long-term average returns. This lower average real return on equities is also consistent with the somewhat higher future average real interest rate on long-term Treasury bonds (3 percent assumed by the Social Security Trustees) than has been experienced over the long-term past. For trust fund assets invested in equities, an administrative expense of 0.0005 percent (0.5 basis point) is assumed annually.

## Results

### Trust Fund Operations

Table 1 provides projections of the financial operations of the OASDI program assuming that the proposed six provisions are enacted. With enactment of these six provisions assuming the expected real returns on equities, the year in which the annual cost of the program begins to exceed the annual income would be delayed 9 years, from 2018 under current law, to 2027. The estimated year of combined OASDI Trust Fund exhaustion would be delayed to at least several decades beyond the end of the 75-year long-range period. And if the recommendation of the proposal to provide continued adjustments to the balancing tax rate is followed by future Congresses, then sustainable solvency would be maintained for the foreseeable future.

### Assets

Table 1a provides estimates of the net annual purchase and sale of equities consistent with the expected return and the specifications for increasing equities to 20 percent of trust fund assets by the end of 2025, and rebalancing assets to maintain that percentage thereafter. Trust fund assets are shown by type: equities, Treasury securities, and total. Projected GDP is also shown. We assume that the total market value of all equities for domestically based corporations will generally be about equal to GDP. Because the trust fund assets held in equities are projected to remain well below 15 percent of GDP throughout the projection period, we assume that the limit on equities at 15 percent of the total market valuation will not be reached. For comparison, the net assets of the theoretical Social Security program where borrowing authority is provided in the law are shown in column 9.

### Budget Effects

Table 1b provides projected effects of enactment of the six provisions on the unified budget of the federal government. These projected effects are for the change from the effects that are assumed in standard budget accounting under current law (where scheduled benefits are assumed to be paid in full with revenue from the general fund of the Treasury if needed, even after the trust funds are exhausted.) All estimates reflect the intermediate assumptions of the 2004 Trustees Report, and thus are not directly comparable with budget projections made by OMB and CBO, using different assumptions.

Table 1b provides estimates in present value, with all amounts discounted to January 1, 2004 using the Treasury bond yield on assets held by the trust funds. Table 1b.c provides estimates in constant 2004 dollars.

Purchase of equities for the trust funds is considered to be a budget expenditure. As a result, sale of equities when needed for rebalancing the assets in the trust fund are considered budget receipts. The balancing tax rate represents a budget receipt and thus improves budget cash flow. However, revenue from the estate tax represents an additional budget receipt only for 2010, the only year for which the estate tax would be eliminated under current law.

The change in annual unified budget cash flow is accumulated at the trust fund bond yield to estimate the cumulative effect on federal debt held by the public. The change in the annual

unified budget balance reflects both the change in budget cash flow and the interest on the change in the accumulated debt.

Purchases of equities are projected to generally result in a reduction (negative effect) on unified budget cash flow through 2013. Thereafter, the effects of the other provisions are projected to dominate, resulting in positive effects. Publicly held debt would be increased through 2020, and reduced substantially thereafter. Annual unified budget balances would be generally worse through 2015, and better thereafter.

#### Cash Flow from Trust Funds to General Fund

Table 1c provides estimates of the net annual cash flow from the OASDI trust funds to the general fund of the Treasury. A comparison is provided with a theoretical Social Security program where transfers are made from the general fund to the trust funds whenever needed to pay scheduled benefits.

Under current law, cash flow to the general fund changes from positive to negative in 2018, reaching 5.9 percent of payroll by 2078. Under the proposal, cash flow first becomes negative in 2027, and reaches 2.8 percent by 2078. For the 75-year period as a whole, the total net negative cash flow is reduced from \$5.2 to \$0.4 trillion in present value under the proposal. Present value amounts are computed reflecting the trust fund yield on assets held in Treasury securities.

#### Change in Unfunded Obligations

Table 1d illustrates the change from a \$3.7 trillion present-value unfunded obligation over the 75-year long-range period under current law to a positive balance of \$1.5 trillion in present value under the proposal. All values are shown in present value discounted to January 1, 2004 based on the Treasury security yield on trust fund assets. Only in column 7, where equities are assumed to be phased into trust fund asset holdings, does the present-value discounting reflect the overall asset yield assumed for the trust funds, including equity holdings. The table shows that the roughly \$5 trillion improvement in the unfunded obligation is the result of \$1 trillion from estate tax revenue, \$1.5 trillion from the balancing tax rate, \$2.2 trillion from the other provisions (excluding equity investment), and \$0.4 trillion from equity investment (the difference between columns 6 and 7).

#### Taxable Payroll

Table 1e provides the projected level of OASDI taxable payroll under present law and under the proposal. The provisions for increasing the contribution and benefit base and for covering newly hired State and local government employees would both increase the amount of earnings subject to payroll tax under the OASDI program.

#### Sensitivity Analysis

Tables 2 are similar to tables 1, except that the realized real return on equities is assumed to be equal to that on long-term Treasury bonds, 3 percent. In this case, the 1.0-percent total balancing tax rate increase for 2023 and later is not sufficient to attain a stable or rising trust fund as a percent of annual program cost by the end of the period. Thus, while 75-year solvency is expected to be fully restored through 2078, sustainable solvency would require

larger balancing tax rate increases. Under this assumption, a balancing tax rate of 1.8 percent total for 2021 and later is expected to meet the proposal goal of a stable or rising TFR at the end of 75 years.

### Conclusion

The six-provision proposal is expected to restore solvency for the Social Security program through the next 75 years and for decades thereafter. With the expected equity yields and the specified balancing tax rate increase, trust fund ratios are projected to rise throughout the 75-year period. However, to maintain sustainable solvency, and thus solvency for the foreseeable future, some maintenance of the balancing tax rate is expected to be needed after the end of the 75-year projection period, as recommended in the proposal.



Stephen C. Goss

Attachments

Table 1 Robert M. Ball Proposal--Six Provisions--with Expected Equity Yield  
 Estate Tax With Ult Real TF Int Rate of 3.70

Year	Cost Rate	Income Rate	Annual Balance	Trust Fund Ratio 1-1-yr	Change in OASDI		"Effective" OASDI Contrib Rate	Revenue from Estate Tax
					Balancing Tax Rate	Contrib Rate		
2004	11.07	12.71	1.64	306			12.40	0
2005	10.87	12.73	1.86	325			12.40	0
2006	10.73	12.73	2.00	347			12.40	0
2007	10.65	12.75	2.10	368			12.40	0
2008	10.65	12.78	2.14	388			12.40	0
2009	10.74	12.77	2.04	405			12.40	0
2010	10.79	13.20	2.41	422		0.4128	12.81	0.41
2011	10.87	13.25	2.38	442		0.0025	12.82	0.42
2012	11.04	13.28	2.24	460		0.0027	12.82	0.42
2013	11.22	13.31	2.09	476		0.0030	12.82	0.42
2014	11.40	13.32	1.92	491		0.0024	12.82	0.42
2015	11.61	13.34	1.73	503		0.0025	12.83	0.43
2016	11.84	13.36	1.52	513		0.0026	12.83	0.43
2017	12.08	13.38	1.30	522		0.0028	12.83	0.43
2018	12.33	13.39	1.07	529		0.0029	12.83	0.43
2019	12.59	13.41	0.82	534		0.0030	12.84	0.44
2020	12.86	13.43	0.57	538		0.0030	12.84	0.44
2021	13.13	13.45	0.32	540		0.0032	12.84	0.44
2022	13.39	13.47	0.08	542		0.0032	12.85	0.45
2023	13.65	14.49	0.84	542	1.00	1.0033	13.85	0.45
2024	13.89	14.51	0.62	549	1.00	0.0034	13.85	0.45
2025	14.14	14.53	0.39	554	1.00	0.0048	13.86	0.46
2026	14.37	14.55	0.18	559	1.00	0.0048	13.86	0.46
2027	14.58	14.56	-0.01	563	1.00	0.0048	13.87	0.47
2028	14.77	14.58	-0.19	567	1.00	0.0049	13.87	0.47
2029	14.94	14.60	-0.34	571	1.00	0.0051	13.88	0.48
2030	15.10	14.61	-0.48	575	1.00	0.0052	13.88	0.48
2031	15.24	14.63	-0.61	578	1.00	0.0052	13.89	0.49
2032	15.36	14.64	-0.72	581	1.00	0.0052	13.89	0.49
2033	15.46	14.66	-0.80	584	1.00	0.0053	13.90	0.50
2034	15.54	14.67	-0.87	588	1.00	0.0055	13.90	0.50
2035	15.60	14.68	-0.92	592	1.00	0.0056	13.91	0.51
2036	15.64	14.69	-0.95	597	1.00	0.0056	13.92	0.52
2037	15.67	14.70	-0.97	602	1.00	0.0056	13.92	0.52
2038	15.68	14.71	-0.97	607	1.00	0.0057	13.93	0.53
2039	15.68	14.72	-0.96	613	1.00	0.0058	13.93	0.53
2040	15.69	14.73	-0.96	620	1.00	0.0062	13.94	0.54
2041	15.70	14.73	-0.96	626	1.00	0.0063	13.94	0.54
2042	15.70	14.74	-0.96	633	1.00	0.0063	13.95	0.55
2043	15.71	14.75	-0.96	640	1.00	0.0032	13.95	0.55
2044	15.73	14.75	-0.97	647	1.00	0.0040	13.96	0.56
2045	15.76	14.76	-1.00	654	1.00	0.0043	13.96	0.56
2046	15.80	14.77	-1.03	661	1.00	0.0043	13.97	0.57
2047	15.84	14.78	-1.06	669	1.00	0.0043	13.97	0.57
2048	15.88	14.79	-1.09	676	1.00	0.0043	13.98	0.58
2049	15.92	14.79	-1.13	683	1.00	0.0044	13.98	0.58
2050	15.98	14.80	-1.18	689	1.00	0.0044	13.98	0.58
2051	16.04	14.81	-1.23	695	1.00	0.0045	13.99	0.59
2052	16.11	14.82	-1.29	701	1.00	0.0044	13.99	0.59
2053	16.18	14.83	-1.35	707	1.00	0.0044	14.00	0.60
2054	16.25	14.84	-1.41	712	1.00	0.0045	14.00	0.60
2055	16.33	14.85	-1.48	716	1.00	0.0046	14.01	0.61
2056	16.41	14.86	-1.55	721	1.00	0.0046	14.01	0.61
2057	16.49	14.87	-1.62	725	1.00	0.0046	14.02	0.62
2058	16.57	14.88	-1.68	729	1.00	0.0046	14.02	0.62
2059	16.64	14.89	-1.75	733	1.00	0.0047	14.03	0.63
2060	16.71	14.91	-1.81	736	1.00	0.0048	14.03	0.63
2061	16.79	14.92	-1.87	740	1.00	0.0048	14.03	0.63
2062	16.87	14.93	-1.94	743	1.00	0.0048	14.04	0.64
2063	16.95	14.94	-2.01	745	1.00	0.0048	14.04	0.64
2064	17.02	14.95	-2.08	748	1.00	0.0049	14.05	0.65
2065	17.09	14.96	-2.14	750	1.00	0.0049	14.05	0.65
2066	17.16	14.97	-2.20	753	1.00	0.0050	14.06	0.66
2067	17.23	14.98	-2.25	755	1.00	0.0050	14.06	0.66
2068	17.29	14.99	-2.31	757	1.00	0.0050	14.07	0.67
2069	17.36	15.00	-2.36	759	1.00	0.0051	14.07	0.67
2070	17.41	15.01	-2.41	760	1.00	0.0051	14.08	0.68
2071	17.47	15.01	-2.45	762	1.00	0.0052	14.08	0.68
2072	17.52	15.02	-2.50	764	1.00	0.0052	14.09	0.69
2073	17.57	15.03	-2.54	766	1.00	0.0053	14.09	0.69
2074	17.63	15.04	-2.59	767	1.00	0.0053	14.10	0.70
2075	17.68	15.05	-2.63	768	1.00	0.0053	14.11	0.71
2076	17.73	15.06	-2.67	769	1.00	0.0054	14.11	0.71
2077	17.78	15.07	-2.71	771	1.00	0.0054	14.12	0.72
2078	17.83	15.08	-2.76	771	1.00	0.0055	14.12	0.72
2079	17.89	15.09	-2.80	772	1.00	0.0054	14.13	0.73
Summarized								
	CostRt	IncRt	ActBal	Change in				
2004	OASDI	OASDI	OASDI	ActBal				
-2078	14.21	14.87	0.65	2.54				

Based on Intermediate Assumptions of the 2004 Trustees Report  
 With Ult Real TF Yield Rate of 3.7  
 Ult Real Treas Bond Yield Rate 3.0

Office of the Actuary  
 Social Security Administration  
 April 13, 2005

Table 1 a Proposal GF Transfers, OASDI Trust Fund Assets, Individual Account Assets, and Theoretical OASDI Assets

Calendar Year	Net Purchase or Sale (negative) of Equities 1/ (1)	Trust Fund Assets at End of Yr Equities (3)	Trust Fund Assets at End of Yr Treas Bonds (4)	Total OASDI Trust Fund Assets at End of Yr (5)	GDP (7)	Theoretical Social Security 2/ with Borrowing Authority; Net OASDI TF Assets End of Yr (9)
Billions of Constant 2004 Dollars					Billions of Constant 2004 Dollars	
2004	0	0	1,684	1,684	11,544	1,684
2005	0	0	1,840	1,840	11,911	1,840
2006	20	20	1,980	2,000	12,246	1,998
2007	22	43	2,122	2,165	12,562	2,156
2008	24	70	2,265	2,335	12,870	2,315
2009	26	100	2,407	2,507	13,171	2,473
2010	29	136	2,575	2,710	13,466	2,631
2011	31	175	2,747	2,923	13,752	2,790
2012	33	220	2,919	3,138	14,024	2,944
2013	35	268	3,088	3,356	14,285	3,091
2014	36	322	3,254	3,576	14,547	3,230
2015	37	380	3,416	3,795	14,804	3,360
2016	37	442	3,572	4,014	15,061	3,478
2017	37	508	3,723	4,230	15,322	3,584
2018	37	578	3,866	4,444	15,586	3,675
2019	36	651	4,001	4,652	15,842	3,750
2020	34	728	4,125	4,852	16,100	3,805
2021	32	807	4,238	5,045	16,354	3,841
2022	29	889	4,342	5,231	16,610	3,857
2023	39	986	4,493	5,479	16,861	3,851
2024	37	1,087	4,635	5,722	17,117	3,823
2025	34	1,192	4,768	5,960	17,372	3,773
2026	-31	1,239	4,955	6,193	17,634	3,700
2027	-35	1,284	5,136	6,420	17,903	3,604
2028	-39	1,329	5,314	6,643	18,174	3,486
2029	-43	1,372	5,489	6,861	18,451	3,346
2030	-46	1,415	5,660	7,075	18,733	3,184
2031	-50	1,457	5,830	7,287	19,022	3,000
2032	-53	1,499	5,998	7,497	19,319	2,796
2033	-56	1,541	6,165	7,707	19,622	2,570
2034	-58	1,583	6,334	7,917	19,929	2,325
2035	-60	1,626	6,504	8,130	20,243	2,062
2036	-62	1,669	6,677	8,346	20,564	1,780
2037	-64	1,714	6,854	8,568	20,892	1,481
2038	-66	1,759	7,037	8,796	21,226	1,165
2039	-67	1,806	7,226	9,032	21,562	833
2040	-69	1,855	7,421	9,276	21,904	485
2041	-70	1,905	7,621	9,527	22,252	120
2042	-72	1,957	7,829	9,786	22,605	-262
2043	-74	2,011	8,042	10,053	22,961	-662
2044	-76	2,065	8,262	10,327	23,322	-1,080
2045	-78	2,121	8,486	10,607	23,687	-1,516
2046	-81	2,179	8,715	10,894	24,055	-1,972
2047	-83	2,237	8,948	11,186	24,426	-2,449
2048	-86	2,297	9,187	11,484	24,799	-2,946
2049	-89	2,358	9,430	11,788	25,174	-3,465
2050	-92	2,419	9,677	12,096	25,552	-4,008
2051	-95	2,482	9,927	12,409	25,936	-4,577
2052	-98	2,545	10,179	12,724	26,324	-5,172
2053	-102	2,609	10,435	13,043	26,721	-5,795
2054	-105	2,673	10,692	13,365	27,123	-6,447
2055	-109	2,738	10,951	13,688	27,528	-7,130
2056	-113	2,803	11,211	14,014	27,939	-7,845
2057	-117	2,868	11,472	14,340	28,354	-8,594
2058	-121	2,934	11,735	14,669	28,775	-9,378
2059	-125	3,000	11,999	14,999	29,204	-10,196
2060	-129	3,066	12,265	15,332	29,639	-11,052
2061	-133	3,133	12,532	15,665	30,078	-11,946
2062	-137	3,200	12,800	16,000	30,526	-12,880
2063	-141	3,267	13,068	16,335	30,978	-13,857
2064	-145	3,334	13,336	16,670	31,438	-14,876
2065	-149	3,401	13,605	17,007	31,906	-15,940
2066	-154	3,469	13,875	17,344	32,379	-17,050
2067	-158	3,537	14,146	17,683	32,861	-18,208
2068	-162	3,604	14,418	18,022	33,359	-19,414
2069	-166	3,673	14,691	18,363	33,859	-20,670
2070	-170	3,741	14,965	18,706	34,366	-21,978
2071	-174	3,810	15,241	19,051	34,882	-23,340
2072	-178	3,880	15,518	19,398	35,404	-24,756
2073	-183	3,949	15,797	19,746	35,931	-26,230
2074	-187	4,019	16,077	20,096	36,464	-27,762
2075	-191	4,089	16,358	20,447	37,006	-29,356
2076	-195	4,160	16,640	20,800	37,555	-31,014
2077	-200	4,231	16,923	21,154	38,112	-32,736
2078	-204	4,302	17,208	21,510	38,677	-34,527
2079	-208	4,373	17,493	21,866	39,245	-36,387

Based on Intermediate Assumptions of the 2004 Trustees Report

1/ Dividends are assumed to be automatically reinvested, not counted as purchase

2/ 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

Office of the Actuary  
Social Security Administration  
April 13, 2005



Table 1 b Unified Budget Effects

Year	Net Purchase or Sale (negative) of Equities 1/	Balancing Tax Rate & Estate Tax (2010 only)	Other Changes in OASDI CashFlow	Change in Annual UnifBudg CashFlow	Change in Debt Held by Public (EOY)	Change in Ann UnifBudg Balance
			(Billions of \$, Present Value on 1-1-04	See Note Below)		
2005			0.0	0.0	0.0	0.0
2006	18.1	0.0	1.7	-16.4	16.8	-16.8
2007	19.3	0.0	4.5	-14.8	32.0	-16.1
2008	20.5	0.0	7.1	-13.4	45.8	-15.4
2009	21.4	0.0	9.8	-11.6	57.8	-14.3
2010	23.3	18.0	13.4	8.0	49.5	5.2
2011	24.6	0.0	17.0	-7.6	57.4	-10.5
2012	25.4	0.0	20.4	-4.9	62.4	-8.1
2013	25.9	0.0	23.6	-2.2	64.7	-5.6
2014	26.1	0.0	26.4	0.3	64.5	-3.2
2015	26.1	0.0	28.9	2.8	61.6	-0.6
2016	25.7	0.0	31.3	5.6	55.8	2.4
2017	25.0	0.0	33.4	8.4	47.2	5.6
2018	24.1	0.0	35.2	11.2	35.7	8.9
2019	22.7	0.0	37.0	14.3	21.0	12.7
2020	21.0	0.0	38.5	17.5	3.0	16.9
2021	19.1	0.0	39.9	20.8	-18.4	21.2
2022	17.0	0.0	41.2	24.2	-43.3	25.9
2023	21.9	38.5	42.3	58.9	-103.9	63.0
2024	20.1	38.0	43.3	61.3	-166.9	68.8
2025	18.1	37.5	44.1	63.5	-232.3	74.6
2026	-15.8	37.0	44.8	97.6	-332.8	113.4
2027	-17.5	36.5	45.5	99.5	-435.1	120.8
2028	-18.9	36.0	46.1	100.9	-539.0	128.1
2029	-20.0	35.5	46.5	102.1	-644.0	135.0
2030	-21.1	35.0	46.8	102.9	-749.9	141.7
2031	-22.0	34.6	47.0	103.5	-856.5	148.2
2032	-22.7	34.1	47.2	104.0	-963.5	154.6
2033	-23.2	33.7	47.4	104.3	-1,070.8	160.8
2034	-23.5	33.2	47.5	104.2	-1,178.0	166.7
2035	-23.7	32.8	47.4	103.9	-1,284.9	172.3
2036	-23.8	32.3	47.2	103.3	-1,391.2	177.7
2037	-23.8	31.9	47.1	102.7	-1,496.9	183.0
2038	-23.6	31.5	46.9	102.0	-1,601.9	188.1
2039	-23.4	31.1	46.6	101.2	-1,705.9	193.1
2040	-23.3	30.6	46.0	99.9	-1,808.8	197.6
2041	-23.2	30.2	45.3	98.7	-1,910.3	202.0
2042	-23.0	29.8	44.6	97.4	-2,010.6	206.4
2043	-22.9	29.4	44.0	96.3	-2,109.6	210.8
2044	-22.8	28.9	42.9	94.7	-2,207.0	214.6
2045	-22.9	28.5	41.5	92.8	-2,302.6	218.2
2046	-22.9	28.0	40.1	91.0	-2,396.2	221.6
2047	-22.9	27.6	38.8	89.3	-2,488.1	225.0
2048	-22.9	27.1	37.5	87.6	-2,578.2	228.4
2049	-23.0	26.7	36.2	85.9	-2,666.6	231.7
2050	-23.1	26.3	34.9	84.2	-2,753.3	234.8
2051	-23.2	25.8	33.5	82.5	-2,838.2	237.9
2052	-23.3	25.4	32.2	81.0	-2,921.5	241.0
2053	-23.5	25.0	31.1	79.5	-3,003.3	244.2
2054	-23.6	24.6	29.9	78.0	-3,083.6	247.2
2055	-23.7	24.2	28.7	76.6	-3,162.4	250.2
2056	-23.8	23.8	27.5	75.2	-3,239.8	253.1
2057	-24.0	23.4	26.5	73.8	-3,315.7	256.0
2058	-24.0	23.0	25.5	72.5	-3,390.3	258.8
2059	-24.1	22.6	24.5	71.2	-3,463.6	261.6
2060	-24.1	22.2	23.5	69.9	-3,535.5	264.4
2061	-24.2	21.9	22.6	68.6	-3,606.1	267.1
2062	-24.2	21.5	21.7	67.4	-3,675.5	269.8
2063	-24.2	21.2	20.9	66.3	-3,743.7	272.5
2064	-24.2	20.8	20.1	65.1	-3,810.7	275.1
2065	-24.2	20.5	19.4	64.0	-3,876.6	277.7
2066	-24.1	20.1	18.7	62.9	-3,941.4	280.2
2067	-24.1	19.8	18.0	61.9	-4,005.1	282.7
2068	-24.0	19.5	17.4	60.8	-4,067.7	285.2
2069	-23.9	19.2	16.8	59.8	-4,129.2	287.6
2070	-23.8	18.8	16.2	58.8	-4,189.7	290.0
2071	-23.6	18.5	15.7	57.8	-4,249.3	292.3
2072	-23.5	18.2	15.2	56.9	-4,307.8	294.7
2073	-23.3	17.9	14.7	55.9	-4,365.3	296.9
2074	-23.2	17.6	14.2	55.0	-4,421.9	299.2
2075	-23.0	17.3	13.8	54.1	-4,477.6	301.4
2076	-22.8	17.0	13.4	53.2	-4,532.4	303.6
2077	-22.7	16.8	13.0	52.4	-4,586.3	305.8
2078	-22.5	16.5	12.6	51.5	-4,639.3	307.9
2079	-22.3	16.2	12.2	50.7	-4,691.5	310.0

**Note: PV discount at Treasury Bond yield**

Based on Intermediate Assumptions of the 2004 Trustees Report

With Ult Real TF Yield Rate of 3.7

Ult Real Treas Bond Yield Rate of 3.0

**1/Reinvestment of dividends is not included in net purchase**

Office of the Actuary

Social Security Administration

April 13, 2005

Table 1 b.c Unified Budget Effects

Year	Net Purchase or Sale (negative) of Equities 1/	Balancing Tax Rate & Estate Tax (2010 only)	Other Changes in OASDI CashFlow	Change in Annual UnifBudg CashFlow	Change in Debt Held by Public (EOY)	Change in Ann UnifBudg Balance
(Billions of Constant 2004\$)						
2005	0.0	0.0	0.0	0.0	0.0	0.0
2006	20.0	0.0	1.9	-18.1	18.4	-18.6
2007	22.0	0.0	5.1	-16.9	36.0	-18.3
2008	23.9	0.0	8.3	-15.7	52.8	-18.0
2009	25.7	0.0	11.8	-13.9	68.3	-17.2
2010	28.7	22.1	16.5	9.9	60.1	6.4
2011	31.0	0.0	21.4	-9.6	71.5	-13.2
2012	32.9	0.0	26.5	-6.4	80.0	-10.6
2013	34.5	0.0	31.5	-3.0	85.2	-7.5
2014	35.9	0.0	36.2	0.4	87.3	-4.4
2015	36.8	0.0	40.8	4.0	85.7	-0.8
2016	37.3	0.0	45.4	8.1	80.0	3.4
2017	37.4	0.0	50.0	12.6	69.6	8.3
2018	37.1	0.0	54.3	17.2	54.3	13.6
2019	36.0	0.0	58.6	22.7	32.9	20.2
2020	34.3	0.0	63.0	28.7	4.8	27.6
2021	32.1	0.0	67.1	35.0	-30.6	35.7
2022	29.5	0.0	71.4	41.9	-74.0	44.9
2023	39.1	68.8	75.5	105.1	-182.9	112.5
2024	36.9	69.9	79.6	112.6	-302.7	126.5
2025	34.2	71.0	83.4	120.3	-433.9	141.3
2026	-30.9	72.2	87.3	190.4	-640.2	221.1
2027	-35.1	73.4	91.4	199.8	-862.2	242.8
2028	-39.0	74.5	95.3	208.9	-1,100.1	265.0
2029	-42.7	75.7	99.2	217.6	-1,353.9	287.8
2030	-46.3	76.9	102.7	225.9	-1,623.8	311.0
2031	-49.6	78.2	106.3	234.1	-1,910.1	335.1
2032	-52.8	79.4	110.0	242.2	-2,213.2	360.1
2033	-55.5	80.7	113.8	250.1	-2,533.5	385.8
2034	-58.1	82.0	117.4	257.5	-2,870.8	412.0
2035	-60.4	83.4	120.6	264.3	-3,225.2	438.6
2036	-62.4	84.7	123.7	270.8	-3,596.8	465.9
2037	-64.2	86.1	127.1	277.4	-3,986.2	494.2
2038	-65.7	87.6	130.4	283.7	-4,393.7	523.2
2039	-67.1	89.0	133.6	289.7	-4,819.6	553.1
2040	-68.7	90.4	135.7	294.8	-5,263.4	583.1
2041	-70.4	91.8	137.6	299.8	-5,725.6	614.0
2042	-72.1	93.2	139.7	305.0	-6,206.9	646.1
2043	-73.8	94.7	141.9	310.4	-6,708.1	679.6
2044	-75.8	96.1	142.5	314.4	-7,228.4	712.8
2045	-78.2	97.4	141.9	317.5	-7,767.5	746.2
2046	-80.7	98.7	141.2	320.6	-8,325.9	780.7
2047	-83.2	100.1	140.6	323.9	-8,904.4	816.5
2048	-85.8	101.4	140.2	327.4	-9,503.7	853.6
2049	-88.5	102.7	139.5	330.8	-10,124.5	891.9
2050	-91.5	104.1	138.3	333.9	-10,767.2	931.2
2051	-94.8	105.5	136.8	337.1	-11,432.3	971.7
2052	-98.2	106.8	135.6	340.7	-12,121.0	1,014.0
2053	-101.6	108.3	134.5	344.5	-12,834.2	1,057.9
2054	-105.2	109.7	133.4	348.3	-13,572.7	1,103.2
2055	-109.0	111.1	131.9	352.0	-14,337.2	1,149.9
2056	-112.9	112.6	130.4	355.9	-15,128.4	1,198.2
2057	-116.8	114.0	129.0	359.9	-15,947.5	1,248.3
2058	-120.7	115.5	127.8	364.1	-16,795.5	1,300.1
2059	-124.6	117.0	126.7	368.3	-17,673.1	1,353.6
2060	-128.5	118.5	125.4	372.4	-18,581.3	1,408.9
2061	-132.6	120.1	124.1	376.7	-19,521.0	1,465.9
2062	-136.7	121.6	122.9	381.3	-20,493.6	1,525.2
2063	-141.0	123.2	121.8	386.0	-21,500.1	1,586.5
2064	-145.3	124.8	120.7	390.7	-22,541.7	1,649.8
2065	-149.4	126.4	119.8	395.6	-23,619.4	1,715.2
2066	-153.6	128.1	118.9	400.5	-24,734.5	1,782.8
2067	-157.8	129.7	118.1	405.6	-25,888.2	1,852.8
2068	-161.9	131.5	117.3	410.7	-27,081.6	1,925.0
2069	-166.1	133.2	116.5	415.8	-28,316.0	1,999.5
2070	-170.1	134.9	116.1	421.1	-29,592.9	2,076.6
2071	-174.2	136.7	115.7	426.6	-30,913.7	2,156.3
2072	-178.3	138.5	115.3	432.1	-32,279.6	2,238.6
2073	-182.5	140.3	114.8	437.6	-33,692.1	2,323.6
2074	-186.8	142.1	114.4	443.2	-35,152.6	2,411.3
2075	-191.0	143.9	114.3	449.2	-36,663.1	2,502.3
2076	-195.2	145.8	114.2	455.2	-38,225.0	2,596.1
2077	-199.6	147.7	114.1	461.4	-39,840.0	2,693.1
2078	-203.9	149.6	114.1	467.6	-41,509.8	2,793.2
2079	-208.4	151.5	114.0	473.9	-43,236.0	2,896.6

Based on Intermediate Assumptions of the 2004 Trustees Report  
 With Ult Real TF Yield Rate of 3.7  
 Ult Real Treas Bond Yield Rate of 3.0  
**1/Reinvestment of dividends is not included in net purchase**

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

	<u>Proposal</u>				<u>Theoretical Social Security with PAYGO Transfers</u>			
	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/			
	% of Pysl	Current \$	Billions of Dollars --- PV 1-1-04 2/	Const 2004\$	% of Pysl	Current \$	Billions of Dollars --- PV 1-1-04 2/	Const 2004\$
2004	1.4	65	63	65	1.4	65	63	65
2005	1.9	89	82	87	1.9	89	82	87
2006	2.0	99	87	96	1.9	97	85	94
2007	2.1	110	91	104	2.0	105	87	99
2008	2.1	118	93	108	2.0	109	86	100
2009	2.0	118	88	105	1.8	105	78	93
2010	2.4	147	104	128	1.7	103	73	89
2011	2.4	153	102	129	1.6	101	67	85
2012	2.2	152	96	125	1.4	91	58	75
2013	2.1	148	89	118	1.1	79	47	63
2014	1.9	143	81	111	0.9	65	37	50
2015	1.7	135	72	102	0.6	48	25	36
2016	1.5	124	63	91	0.3	27	14	20
2017	1.3	111	53	80	0.0	4	2	3
2018	1.1	95	43	66	-0.3	-22	-10	-15
2019	0.8	77	33	52	-0.6	-51	-22	-35
2020	0.6	55	22	37	-0.9	-84	-34	-55
2021	0.3	32	12	21	-1.2	-119	-45	-76
2022	0.1	8	3	5	-1.5	-155	-56	-97
2023	0.8	94	32	57	-1.8	-195	-66	-118
2024	0.6	72	23	42	-2.1	-236	-76	-139
2025	0.4	47	14	27	-2.4	-279	-85	-160
2026	0.2	22	6	12	-2.7	-324	-93	-181
2027	0.0	-3	-1	-2	-3.0	-370	-100	-201
2028	-0.2	-28	-7	-15	-3.2	-416	-106	-220
2029	-0.4	-52	-13	-27	-3.4	-463	-112	-238
2030	-0.5	-76	-17	-38	-3.6	-510	-116	-255
2031	-0.6	-100	-21	-48	-3.8	-558	-120	-271
2032	-0.7	-122	-25	-58	-4.0	-606	-123	-287
2033	-0.8	-143	-27	-66	-4.1	-653	-125	-300
2034	-0.9	-161	-29	-72	-4.2	-699	-127	-313
2035	-0.9	-178	-30	-78	-4.3	-744	-127	-324
2036	-1.0	-193	-31	-82	-4.4	-788	-127	-334
2037	-1.0	-205	-31	-84	-4.4	-831	-127	-343
2038	-1.0	-214	-31	-86	-4.5	-873	-126	-350
2039	-1.0	-222	-30	-87	-4.5	-915	-124	-357
2040	-1.0	-232	-30	-88	-4.5	-956	-123	-363
2041	-1.0	-242	-29	-89	-4.5	-1,000	-121	-369
2042	-1.0	-252	-29	-91	-4.5	-1,045	-120	-375
2043	-1.0	-263	-28	-92	-4.5	-1,091	-118	-381
2044	-1.0	-279	-28	-95	-4.5	-1,139	-116	-387
2045	-1.0	-299	-29	-99	-4.5	-1,189	-115	-393
2046	-1.0	-321	-29	-103	-4.6	-1,241	-113	-399
2047	-1.1	-344	-30	-107	-4.6	-1,297	-112	-405
2048	-1.1	-368	-30	-112	-4.6	-1,355	-110	-412
2049	-1.1	-396	-30	-117	-4.6	-1,417	-109	-419
2050	-1.2	-429	-31	-124	-4.6	-1,483	-108	-427
2051	-1.2	-468	-32	-131	-4.6	-1,555	-107	-435
2052	-1.3	-510	-33	-139	-4.7	-1,634	-106	-445
2053	-1.4	-556	-34	-147	-4.7	-1,717	-105	-455
2054	-1.4	-605	-35	-156	-4.8	-1,805	-104	-465
2055	-1.5	-660	-36	-166	-4.8	-1,899	-104	-476
2056	-1.6	-720	-37	-176	-4.9	-1,999	-103	-487
2057	-1.6	-783	-38	-186	-4.9	-2,104	-102	-499
2058	-1.7	-848	-39	-196	-5.0	-2,214	-102	-511
2059	-1.8	-916	-40	-206	-5.0	-2,328	-101	-522
2060	-1.8	-988	-40	-216	-5.1	-2,447	-100	-534
2061	-1.9	-1,065	-41	-226	-5.1	-2,574	-100	-547
2062	-2.0	-1,149	-42	-237	-5.2	-2,709	-99	-560
2063	-2.0	-1,240	-43	-249	-5.2	-2,854	-98	-574
2064	-2.1	-1,333	-43	-261	-5.3	-3,003	-98	-587
2065	-2.1	-1,427	-44	-271	-5.3	-3,157	-97	-600
2066	-2.2	-1,528	-44	-283	-5.4	-3,319	-96	-614
2067	-2.3	-1,633	-45	-294	-5.4	-3,489	-96	-628
2068	-2.3	-1,741	-45	-305	-5.5	-3,665	-95	-641
2069	-2.4	-1,853	-45	-316	-5.5	-3,847	-94	-655
2070	-2.4	-1,968	-46	-326	-5.6	-4,037	-93	-669
2071	-2.5	-2,088	-46	-336	-5.6	-4,235	-92	-682
2072	-2.5	-2,214	-46	-347	-5.7	-4,442	-92	-696
2073	-2.6	-2,347	-46	-358	-5.7	-4,660	-91	-710
2074	-2.6	-2,488	-46	-369	-5.7	-4,888	-90	-725
2075	-2.6	-2,633	-46	-380	-5.8	-5,127	-89	-740
2076	-2.7	-2,786	-46	-391	-5.8	-5,377	-88	-755
2077	-2.7	-2,947	-46	-402	-5.9	-5,640	-87	-770
2078	-2.8	-3,117	-46	-414	-5.9	-5,915	-87	-785
2079	-2.8	-3,296	-46	-426	-6.0	-6,203	-86	-801
Total 2004-78			-434				-5,225	

1/ Equals net investment in special Treasury Bonds by the Trust Funds less the Amount of General Fund transfers specified in the theoretical plan (PAYGO Transfers).

2/ PV discount at TreasBond yield

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

Year	Present Law OASDI Trust Fund Assets or If Negative, Unfunded Obligation Through EOY (1)	Revenue from Estate Tax (2)	Revenue from Balancing Tax rate (3)	Other Basic Changes in OASDI CashFlow (4)	Total Change Through End of Year without equity (5)=(2)+(3)+(4) See Note Below	Proposal OASDI Trust Fund Assets / Unfunded Obligation Through End of Year	
						W/O equity (6)	With Equity (7)
(Billions of \$, Present Value on 1-1-04)							
2005	1,674.6	0.0	0.0	0.0	0.0	1,674.6	1,674.6
2006	1,759.0	0.0	0.0	1.7	1.7	1,760.7	1,760.7
2007	1,845.5	0.0	0.0	4.5	6.2	1,851.7	1,851.7
2008	1,930.8	0.0	0.0	7.1	13.3	1,944.0	1,943.9
2009	2,008.4	0.0	0.0	9.8	23.1	2,031.5	2,031.2
2010	2,080.8	18.0	0.0	13.4	54.5	2,135.3	2,134.6
2011	2,148.0	18.0	0.0	17.0	89.4	2,237.4	2,236.2
2012	2,205.6	18.0	0.0	20.4	127.9	2,333.5	2,331.6
2013	2,252.4	18.0	0.0	23.6	169.5	2,422.0	2,419.2
2014	2,289.0	18.0	0.0	26.4	213.9	2,502.9	2,499.2
2015	2,314.3	18.0	0.0	28.9	260.8	2,575.1	2,570.3
2016	2,327.9	17.9	0.0	31.3	310.0	2,637.9	2,631.9
2017	2,329.7	17.9	0.0	33.4	361.3	2,691.0	2,683.8
2018	2,319.7	17.8	0.0	35.2	414.3	2,734.0	2,725.7
2019	2,297.6	17.7	0.0	37.0	469.0	2,766.7	2,757.4
2020	2,263.7	17.6	0.0	38.5	525.2	2,788.9	2,778.9
2021	2,218.5	17.5	0.0	39.9	582.6	2,801.1	2,790.5
2022	2,162.6	17.4	0.0	41.2	641.2	2,803.8	2,793.1
2023	2,096.4	17.3	38.5	42.3	739.4	2,835.8	2,823.5
2024	2,020.7	17.2	38.0	43.3	838.0	2,858.7	2,845.2
2025	1,936.1	17.2	37.5	44.1	936.8	2,872.9	2,858.4
2026	1,843.3	17.1	37.0	44.8	1,035.7	2,879.0	2,864.1
2027	1,743.3	17.1	36.5	45.5	1,134.8	2,878.1	2,863.2
2028	1,637.0	17.0	36.0	46.1	1,233.9	2,870.9	2,856.6
2029	1,525.4	17.0	35.5	46.5	1,332.9	2,858.3	2,845.2
2030	1,409.4	16.9	35.0	46.8	1,431.7	2,841.1	2,829.5
2031	1,289.5	16.9	34.6	47.0	1,530.1	2,819.6	2,810.2
2032	1,166.5	16.8	34.1	47.2	1,628.3	2,794.8	2,788.0
2033	1,041.2	16.8	33.7	47.4	1,726.2	2,767.4	2,763.7
2034	914.6	16.7	33.2	47.5	1,823.6	2,738.2	2,738.0
2035	787.2	16.7	32.8	47.4	1,920.5	2,707.7	2,711.2
2036	659.9	16.7	32.3	47.2	2,016.6	2,676.5	2,684.1
2037	533.0	16.6	31.9	47.1	2,112.2	2,645.2	2,657.0
2038	407.2	16.6	31.5	46.9	2,207.2	2,614.3	2,630.5
2039	282.7	16.5	31.1	46.6	2,301.4	2,584.1	2,604.7
2040	159.8	16.5	30.6	46.0	2,394.6	2,554.3	2,579.5
2041	38.4	16.5	30.2	45.3	2,486.5	2,524.9	2,554.7
2042	-81.4	16.4	29.8	44.6	2,577.3	2,496.0	2,530.5
2043	-199.5	16.3	29.4	44.0	2,667.0	2,467.5	2,506.9
2044	-316.0	16.1	28.9	42.9	2,755.0	2,439.0	2,483.4
2045	-430.8	16.0	28.5	41.5	2,841.0	2,410.1	2,459.8
2046	-544.1	15.9	28.0	40.1	2,925.0	2,380.9	2,436.0
2047	-655.8	15.7	27.6	38.8	3,007.0	2,351.3	2,412.1
2048	-766.0	15.6	27.1	37.5	3,087.3	2,321.3	2,388.0
2049	-874.8	15.5	26.7	36.2	3,165.7	2,290.9	2,363.8
2050	-982.4	15.3	26.3	34.9	3,242.2	2,259.7	2,339.1
2051	-1,089.0	15.2	25.8	33.5	3,316.7	2,227.7	2,313.9
2052	-1,194.8	15.1	25.4	32.2	3,389.4	2,194.6	2,288.1
2053	-1,299.7	14.9	25.0	31.1	3,460.4	2,160.7	2,261.7
2054	-1,403.9	14.8	24.6	29.9	3,529.6	2,125.7	2,234.8
2055	-1,507.4	14.7	24.2	28.7	3,597.1	2,089.7	2,207.3
2056	-1,610.3	14.5	23.8	27.5	3,663.0	2,052.6	2,179.1
2057	-1,712.7	14.4	23.4	26.5	3,727.2	2,014.5	2,150.3
2058	-1,814.4	14.3	23.0	25.5	3,789.9	1,975.6	2,121.1
2059	-1,915.3	14.1	22.6	24.5	3,851.2	1,935.9	2,091.5
2060	-2,015.6	14.0	22.2	23.5	3,911.0	1,895.4	2,061.6
2061	-2,115.1	13.9	21.9	22.6	3,969.3	1,854.2	2,031.3
2062	-2,214.1	13.8	21.5	21.7	4,026.3	1,812.2	2,000.7
2063	-2,312.6	13.6	21.2	20.9	4,082.0	1,769.4	1,969.6
2064	-2,410.5	13.5	20.8	20.1	4,136.5	1,726.0	1,938.4
2065	-2,507.7	13.4	20.5	19.4	4,189.7	1,682.1	1,907.0
2066	-2,604.1	13.3	20.1	18.7	4,241.8	1,637.7	1,875.4
2067	-2,699.9	13.1	19.8	18.0	4,292.8	1,592.8	1,843.8
2068	-2,794.9	13.0	19.5	17.4	4,342.6	1,547.7	1,812.2
2069	-2,889.1	12.9	19.2	16.8	4,391.5	1,502.3	1,780.6
2070	-2,982.5	12.8	18.8	16.2	4,439.3	1,456.8	1,749.1
2071	-3,075.0	12.7	18.5	15.7	4,486.2	1,411.2	1,717.8
2072	-3,166.6	12.6	18.2	15.2	4,532.2	1,365.6	1,686.7
2073	-3,257.4	12.5	17.9	14.7	4,577.2	1,319.8	1,655.7
2074	-3,347.3	12.3	17.6	14.2	4,621.4	1,274.1	1,624.9
2075	-3,436.4	12.2	17.3	13.8	4,664.7	1,228.3	1,594.3
2076	-3,524.7	12.1	17.0	13.4	4,707.2	1,182.6	1,563.9
2077	-3,612.1	12.0	16.8	13.0	4,749.0	1,136.9	1,533.8
2078	-3,698.7	11.9	16.5	12.6	4,789.9	1,091.3	1,504.0
Total 2004-2078		1,072.6	1,485.5	2,231.8			

Note: PV discount at TreasBond yield, except col (7) where PV discount at TF yield with equity return:

Based on Intermediate Assumptions of the 2004 Trustees Report

With Ult Real TF Yield Rate of 3.7

Ult Real Treas Bond Yield Rate of 3.0

Office of the Actuary

Social Security Administration

April 13, 2005

Table 1 e Projected OASDI Taxable Payroll

Calendar Year	OASDI Effective Taxable Payroll		Percent Change in Taxable Payroll Under the Proposal
	Present Law	Proposal	
	(billions of nominal dollars)		
2004	4,501	4,501	0.0 %
2005	4,730	4,730	0.0
2006	4,985	5,002	0.3
2007	5,244	5,280	0.7
2008	5,511	5,566	1.0
2009	5,784	5,862	1.4
2010	6,065	6,180	1.9
2011	6,354	6,509	2.4
2012	6,646	6,845	3.0
2013	6,946	7,191	3.5
2014	7,258	7,548	4.0
2015	7,583	7,920	4.4
2016	7,919	8,305	4.9
2017	8,268	8,706	5.3
2018	8,630	9,120	5.7
2019	9,005	9,550	6.1
2020	9,391	9,994	6.4
2021	9,794	10,456	6.8
2022	10,209	10,935	7.1
2023	10,640	11,432	7.4
2024	11,085	11,946	7.8
2025	11,545	12,475	8.1
2026	12,024	13,028	8.3
2027	12,527	13,612	8.7
2028	13,054	14,224	9.0
2029	13,599	14,856	9.2
2030	14,166	15,512	9.5
2031	14,758	16,199	9.8
2032	15,381	16,927	10.1
2033	16,033	17,690	10.3
2034	16,714	18,483	10.6
2035	17,418	19,304	10.8
2036	18,153	20,163	11.1
2037	18,923	21,069	11.3
2038	19,728	22,016	11.6
2039	20,569	23,004	11.8
2040	21,442	24,019	12.0
2041	22,353	25,078	12.2
2042	23,302	26,188	12.4
2043	24,292	27,349	12.6
2044	25,321	28,515	12.6
2045	26,386	29,711	12.6
2046	27,491	30,955	12.6
2047	28,642	32,251	12.6
2048	29,842	33,607	12.6
2049	31,085	35,003	12.6
2050	32,374	36,454	12.6
2051	33,719	37,965	12.6
2052	35,120	39,545	12.6
2053	36,579	41,193	12.6
2054	38,101	42,906	12.6
2055	39,682	44,683	12.6
2056	41,324	46,531	12.6
2057	43,036	48,460	12.6
2058	44,817	50,471	12.6
2059	46,670	52,558	12.6
2060	48,600	54,729	12.6
2061	50,605	56,984	12.6
2062	52,699	59,345	12.6
2063	54,883	61,809	12.6
2064	57,155	64,367	12.6
2065	59,520	67,030	12.6
2066	61,964	69,783	12.6
2067	64,511	72,655	12.6
2068	67,183	75,665	12.6
2069	69,970	78,802	12.6
2070	72,868	82,068	12.6
2071	75,881	85,464	12.6
2072	79,015	88,995	12.6
2073	82,282	92,675	12.6
2074	85,685	96,508	12.6
2075	89,221	100,496	12.6
2076	92,900	104,638	12.6
2077	96,727	108,951	12.6
2078	100,711	113,439	12.6
2079	104,859	118,125	12.7

Table 2 Robert M. Ball Proposal--Six Provisions--with Low Equity Yield  
 Estate Tax With Ult Real TF Int Rate of 3.00

**\$3.5Mill Exemption  
 No Index,  
 45%Rate**

**Balancing Tax rate in 2023**

Year	Cost Rate	Income Rate	Annual Balance	Trust Fund Ratio 1-1-yr	Balancing Tax Rate	Change in OASDI Contrib Rate	"Effective" OASDI Contrib Rate	Revenue from Estate Tax
2004	11.07	12.71	1.64	306			12.40	0
2005	10.87	12.73	1.86	325			12.40	0
2006	10.73	12.73	2.00	347			12.40	0
2007	10.65	12.75	2.10	368			12.40	0
2008	10.65	12.78	2.14	388			12.40	0
2009	10.74	12.77	2.03	404			12.40	0
2010	10.79	13.20	2.41	421		0.4128	12.81	0.41
2011	10.87	13.25	2.38	441		0.0025	12.82	0.42
2012	11.04	13.28	2.24	457		0.0027	12.82	0.42
2013	11.22	13.31	2.09	473		0.0030	12.82	0.42
2014	11.40	13.32	1.92	486		0.0024	12.82	0.42
2015	11.61	13.34	1.73	497		0.0025	12.83	0.43
2016	11.84	13.36	1.52	506		0.0026	12.83	0.43
2017	12.08	13.38	1.30	513		0.0028	12.83	0.43
2018	12.33	13.39	1.07	518		0.0029	12.83	0.43
2019	12.59	13.41	0.82	521		0.0030	12.84	0.44
2020	12.86	13.43	0.57	522		0.0030	12.84	0.44
2021	13.13	13.45	0.32	522		0.0032	12.84	0.44
2022	13.39	13.47	0.08	520		0.0032	12.85	0.45
2023	13.65	14.49	0.84	518	1.00	1.0033	13.85	0.45
2024	13.89	14.51	0.62	522	1.00	0.0034	13.85	0.45
2025	14.14	14.53	0.39	524	1.00	0.0048	13.86	0.46
2026	14.37	14.55	0.18	525	1.00	0.0048	13.86	0.46
2027	14.58	14.56	-0.01	526	1.00	0.0048	13.87	0.47
2028	14.77	14.58	-0.19	526	1.00	0.0049	13.87	0.47
2029	14.94	14.60	-0.34	526	1.00	0.0051	13.88	0.48
2030	15.10	14.61	-0.48	525	1.00	0.0052	13.88	0.48
2031	15.24	14.63	-0.61	524	1.00	0.0052	13.89	0.49
2032	15.36	14.64	-0.72	523	1.00	0.0052	13.89	0.49
2033	15.46	14.66	-0.80	522	1.00	0.0053	13.90	0.50
2034	15.54	14.67	-0.87	521	1.00	0.0055	13.90	0.50
2035	15.60	14.68	-0.92	521	1.00	0.0056	13.91	0.51
2036	15.64	14.69	-0.95	520	1.00	0.0056	13.92	0.52
2037	15.67	14.70	-0.97	520	1.00	0.0056	13.92	0.52
2038	15.68	14.71	-0.97	521	1.00	0.0057	13.93	0.53
2039	15.68	14.72	-0.96	522	1.00	0.0058	13.93	0.53
2040	15.69	14.73	-0.96	523	1.00	0.0062	13.94	0.54
2041	15.70	14.73	-0.96	524	1.00	0.0063	13.94	0.54
2042	15.70	14.74	-0.96	525	1.00	0.0063	13.95	0.55
2043	15.71	14.75	-0.96	526	1.00	0.0032	13.95	0.55
2044	15.73	14.75	-0.97	527	1.00	0.0040	13.96	0.56
2045	15.76	14.76	-1.00	528	1.00	0.0043	13.96	0.56
2046	15.80	14.77	-1.03	529	1.00	0.0043	13.97	0.57
2047	15.84	14.78	-1.06	530	1.00	0.0043	13.97	0.57
2048	15.88	14.79	-1.09	530	1.00	0.0043	13.98	0.58
2049	15.92	14.79	-1.13	531	1.00	0.0044	13.98	0.58
2050	15.98	14.80	-1.18	531	1.00	0.0044	13.98	0.58
2051	16.04	14.81	-1.23	530	1.00	0.0045	13.99	0.59
2052	16.11	14.82	-1.29	529	1.00	0.0044	13.99	0.59
2053	16.18	14.83	-1.35	527	1.00	0.0044	14.00	0.60
2054	16.25	14.84	-1.41	526	1.00	0.0045	14.00	0.60
2055	16.33	14.85	-1.48	523	1.00	0.0046	14.01	0.61
2056	16.41	14.86	-1.55	520	1.00	0.0046	14.01	0.61
2057	16.49	14.87	-1.62	517	1.00	0.0046	14.02	0.62
2058	16.57	14.88	-1.68	514	1.00	0.0046	14.02	0.62
2059	16.64	14.89	-1.75	510	1.00	0.0047	14.03	0.63
2060	16.71	14.91	-1.81	506	1.00	0.0048	14.03	0.63
2061	16.79	14.92	-1.87	501	1.00	0.0048	14.03	0.63
2062	16.87	14.93	-1.94	496	1.00	0.0048	14.04	0.64
2063	16.95	14.94	-2.01	491	1.00	0.0048	14.04	0.64
2064	17.02	14.95	-2.08	485	1.00	0.0049	14.05	0.65
2065	17.09	14.96	-2.14	479	1.00	0.0049	14.05	0.65
2066	17.16	14.97	-2.20	473	1.00	0.0050	14.06	0.66
2067	17.23	14.98	-2.25	467	1.00	0.0050	14.06	0.66
2068	17.29	14.99	-2.31	460	1.00	0.0050	14.07	0.67
2069	17.36	15.00	-2.36	452	1.00	0.0051	14.07	0.67
2070	17.41	15.01	-2.41	445	1.00	0.0051	14.08	0.68
2071	17.47	15.01	-2.45	437	1.00	0.0052	14.08	0.68
2072	17.52	15.02	-2.50	429	1.00	0.0052	14.09	0.69
2073	17.57	15.03	-2.54	421	1.00	0.0053	14.09	0.69
2074	17.63	15.04	-2.59	413	1.00	0.0053	14.10	0.70
2075	17.68	15.05	-2.63	404	1.00	0.0053	14.11	0.71
2076	17.73	15.06	-2.67	395	1.00	0.0054	14.11	0.71
2077	17.78	15.07	-2.71	385	1.00	0.0054	14.12	0.72
2078	17.83	15.08	-2.76	376	1.00	0.0055	14.12	0.72
2079	17.89	15.09	-2.80	366	1.00	0.0054	14.13	0.73
	Summarized							
	CostRt	IncRt	ActBal	Change in				
2004	OASDI	OASDI	OASDI	ActBal				
-2078	14.51	14.86	0.35	2.23				

Based on Intermediate Assumptions of the 2004 Trustees Report  
 With Ult Real TF Yield Rate of 3.0  
 Ult Real Treas Bond Yield Rate 3.0

Table 2 a Proposal GF Transfers, OASDI Trust Fund Assets, Individual Account Assets, and Theoretical OASDI Assets

Calendar Year	Net Purchase or Sale (negative) of Equities 1/ (1)	Trust Fund Assets at End of Yr Equities (3)	Trust Fund Assets at End of Yr Treas Bonds (4)	Total OASDI Trust Fund Assets at End of Yr (5)	GDP (7)	Theoretical Social Security 2/ with Borrowing Authority; Net OASDI TF Assets End of Yr (9)
<i>Billions of Constant 2004 Dollars</i>						
2004	0	0	1,684	1,684	11,544	1,684
2005	0	0	1,840	1,840	11,911	1,840
2006	20	20	1,980	2,000	12,246	1,998
2007	23	43	2,120	2,164	12,562	2,156
2008	25	70	2,261	2,331	12,870	2,315
2009	28	100	2,401	2,501	13,171	2,473
2010	32	135	2,564	2,699	13,466	2,631
2011	35	174	2,732	2,906	13,752	2,790
2012	38	218	2,897	3,115	14,024	2,944
2013	41	266	3,058	3,324	14,285	3,091
2014	44	318	3,214	3,532	14,547	3,230
2015	46	374	3,365	3,738	14,804	3,360
2016	48	434	3,508	3,941	15,061	3,478
2017	50	497	3,643	4,139	15,322	3,584
2018	52	563	3,769	4,332	15,586	3,675
2019	52	632	3,883	4,515	15,842	3,750
2020	52	703	3,985	4,688	16,100	3,805
2021	52	776	4,074	4,850	16,354	3,841
2022	51	850	4,150	5,000	16,610	3,857
2023	62	938	4,271	5,209	16,861	3,851
2024	62	1,028	4,381	5,408	17,117	3,823
2025	61	1,120	4,479	5,598	17,372	3,773
2026	2	1,156	4,623	5,778	17,634	3,700
2027	0	1,190	4,760	5,950	17,903	3,604
2028	-3	1,223	4,890	6,113	18,174	3,486
2029	-5	1,254	5,015	6,269	18,451	3,346
2030	-8	1,284	5,134	6,418	18,733	3,184
2031	-10	1,312	5,249	6,561	19,022	3,000
2032	-12	1,340	5,358	6,698	19,319	2,796
2033	-14	1,366	5,465	6,831	19,622	2,570
2034	-15	1,392	5,570	6,962	19,929	2,325
2035	-16	1,418	5,673	7,091	20,243	2,062
2036	-17	1,444	5,776	7,219	20,564	1,780
2037	-17	1,470	5,879	7,349	20,892	1,481
2038	-18	1,496	5,985	7,481	21,226	1,165
2039	-18	1,523	6,093	7,617	21,562	833
2040	-18	1,551	6,204	7,755	21,904	485
2041	-18	1,579	6,316	7,895	22,252	120
2042	-19	1,608	6,431	8,039	22,605	-262
2043	-19	1,637	6,548	8,186	22,961	-662
2044	-19	1,667	6,667	8,334	23,322	-1,080
2045	-20	1,696	6,786	8,482	23,687	-1,516
2046	-21	1,726	6,905	8,631	24,055	-1,972
2047	-22	1,756	7,023	8,779	24,426	-2,449
2048	-23	1,785	7,142	8,927	24,799	-2,946
2049	-24	1,815	7,259	9,074	25,174	-3,465
2050	-25	1,844	7,376	9,219	25,552	-4,008
2051	-27	1,872	7,489	9,361	25,936	-4,577
2052	-29	1,900	7,599	9,499	26,324	-5,172
2053	-30	1,927	7,706	9,633	26,721	-5,795
2054	-32	1,952	7,809	9,761	27,123	-6,447
2055	-34	1,977	7,907	9,884	27,528	-7,130
2056	-36	2,000	8,000	10,000	27,939	-7,845
2057	-38	2,022	8,087	10,108	28,354	-8,594
2058	-40	2,042	8,168	10,210	28,775	-9,378
2059	-42	2,061	8,244	10,305	29,204	-10,196
2060	-44	2,078	8,314	10,392	29,639	-11,052
2061	-47	2,094	8,377	10,471	30,078	-11,946
2062	-49	2,108	8,433	10,541	30,526	-12,880
2063	-51	2,120	8,481	10,601	30,978	-13,857
2064	-54	2,130	8,521	10,651	31,438	-14,876
2065	-56	2,138	8,553	10,691	31,906	-15,940
2066	-58	2,144	8,577	10,721	32,379	-17,050
2067	-60	2,148	8,593	10,741	32,861	-18,208
2068	-63	2,150	8,600	10,750	33,359	-19,414
2069	-65	2,149	8,598	10,747	33,859	-20,670
2070	-67	2,147	8,588	10,734	34,366	-21,978
2071	-69	2,142	8,568	10,710	34,882	-23,340
2072	-71	2,135	8,540	10,675	35,404	-24,756
2073	-74	2,125	8,501	10,627	35,931	-26,230
2074	-76	2,113	8,453	10,566	36,464	-27,762
2075	-78	2,098	8,394	10,492	37,006	-29,356
2076	-80	2,081	8,324	10,404	37,555	-31,014
2077	-83	2,061	8,242	10,303	38,112	-32,736
2078	-85	2,037	8,149	10,186	38,677	-34,527
2079	-88	2,011	8,043	10,053	39,245	-36,387

Based on Intermediate Assumptions of the 2004 Trustees Report

1/ Dividends are assumed to be automatically reinvested, not counted as purchase

2/ 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

Office of the Actuary  
Social Security Administration  
April 13, 2005

Table 2 b Unified Budget Effects

Year	Net Purchase or Sale (negative) of of Equities 1/	Balancing Tax Rate & Estate Tax (2010 only)	Other Changes in OASDI CashFlow	Change in Annual UnifBudg CashFlow	Change in Debt Held by Public (EOY)	Change in Ann UnifBudg Balance
(Billions of \$, Present Value on 1-1-04				See Note Below)		
2005			0.0	0.0	0.0	0.0
2006	18.1	0.0	1.7	-16.4	16.8	-16.8
2007	19.9	0.0	4.5	-15.4	32.6	-16.7
2008	21.7	0.0	7.1	-14.7	47.7	-16.7
2009	23.4	0.0	9.8	-13.5	61.6	-16.4
2010	26.0	18.0	13.4	5.4	56.1	2.3
2011	28.0	0.0	17.0	-11.0	67.4	-14.3
2012	29.6	0.0	20.4	-9.2	76.9	-13.0
2013	30.9	0.0	23.6	-7.3	84.4	-11.6
2014	32.1	0.0	26.4	-5.7	90.2	-10.4
2015	32.9	0.0	28.9	-4.0	94.3	-9.0
2016	33.4	0.0	31.3	-2.1	96.5	-7.3
2017	33.6	0.0	33.4	-0.1	96.7	-5.5
2018	33.4	0.0	35.2	1.8	94.8	-3.5
2019	32.8	0.0	37.0	4.1	90.6	-1.0
2020	31.9	0.0	38.5	6.6	83.8	1.8
2021	30.7	0.0	39.9	9.2	74.3	4.8
2022	29.3	0.0	41.2	11.9	62.1	8.1
2023	34.8	38.5	42.3	46.0	14.7	43.9
2024	33.7	38.0	43.3	47.7	-34.3	48.3
2025	32.3	37.5	44.1	49.3	-85.0	52.6
2026	1.3	37.0	44.8	80.5	-167.9	87.6
2027	-0.2	36.5	45.5	82.2	-252.5	93.9
2028	-1.5	36.0	46.1	83.6	-338.5	100.0
2029	-2.6	35.5	46.5	84.6	-425.6	105.9
2030	-3.6	35.0	46.8	85.4	-513.4	111.5
2031	-4.4	34.6	47.0	86.0	-601.9	117.0
2032	-5.1	34.1	47.2	86.5	-690.9	122.4
2033	-5.6	33.7	47.4	86.7	-780.1	127.6
2034	-6.0	33.2	47.5	86.7	-869.4	132.6
2035	-6.3	32.8	47.4	86.4	-958.3	137.2
2036	-6.4	32.3	47.2	85.9	-1,046.7	141.7
2037	-6.4	31.9	47.1	85.4	-1,134.6	146.0
2038	-6.4	31.5	46.9	84.7	-1,221.8	150.2
2039	-6.2	31.1	46.6	83.9	-1,308.1	154.3
2040	-6.1	30.6	46.0	82.8	-1,393.3	157.9
2041	-6.1	30.2	45.3	81.5	-1,477.2	161.3
2042	-6.0	29.8	44.6	80.4	-1,559.9	164.8
2043	-5.9	29.4	44.0	79.3	-1,641.5	168.2
2044	-5.9	28.9	42.9	77.7	-1,721.4	171.2
2045	-5.9	28.5	41.5	75.9	-1,799.5	173.8
2046	-6.0	28.0	40.1	74.1	-1,875.8	176.3
2047	-6.1	27.6	38.8	72.4	-1,950.3	178.8
2048	-6.2	27.1	37.5	70.8	-2,023.2	181.2
2049	-6.3	26.7	36.2	69.2	-2,094.4	183.6
2050	-6.4	26.3	34.9	67.5	-2,163.9	185.9
2051	-6.6	25.8	33.5	65.9	-2,231.7	188.1
2052	-6.8	25.4	32.2	64.4	-2,298.1	190.3
2053	-7.0	25.0	31.1	63.0	-2,362.9	192.6
2054	-7.2	24.6	29.9	61.7	-2,426.4	194.7
2055	-7.4	24.2	28.7	60.3	-2,488.4	196.9
2056	-7.6	23.8	27.5	58.9	-2,549.0	198.9
2057	-7.8	23.4	26.5	57.7	-2,608.4	201.0
2058	-8.0	23.0	25.5	56.5	-2,666.5	203.1
2059	-8.2	22.6	24.5	55.3	-2,723.4	205.1
2060	-8.3	22.2	23.5	54.1	-2,779.0	207.0
2061	-8.5	21.9	22.6	53.0	-2,833.5	208.9
2062	-8.6	21.5	21.7	51.9	-2,886.9	210.9
2063	-8.8	21.2	20.9	50.9	-2,939.3	212.8
2064	-8.9	20.8	20.1	49.9	-2,990.6	214.7
2065	-9.0	20.5	19.4	48.9	-3,040.9	216.5
2066	-9.1	20.1	18.7	47.9	-3,090.3	218.3
2067	-9.2	19.8	18.0	47.0	-3,138.7	220.1
2068	-9.3	19.5	17.4	46.1	-3,186.1	221.9
2069	-9.3	19.2	16.8	45.3	-3,232.7	223.6
2070	-9.4	18.8	16.2	44.4	-3,278.4	225.3
2071	-9.4	18.5	15.7	43.6	-3,323.3	227.0
2072	-9.4	18.2	15.2	42.8	-3,367.3	228.7
2073	-9.4	17.9	14.7	42.0	-3,410.5	230.3
2074	-9.4	17.6	14.2	41.2	-3,453.0	232.0
2075	-9.4	17.3	13.8	40.5	-3,494.7	233.6
2076	-9.4	17.0	13.4	39.8	-3,535.6	235.2
2077	-9.4	16.8	13.0	39.1	-3,575.9	236.7
2078	-9.4	16.5	12.6	38.4	-3,615.5	238.3
2079	-9.4	16.2	12.2	37.8	-3,654.3	239.8

**Note: PV discount at Treasury Bond yield**

Based on Intermediate Assumptions of the 2004 Trustees Report

With Ult Real TF Yield Rate of 3.0

Ult Real Treas Bond Yield Rate of 3.0

**1/Reinvestment of dividends is not included in net purchase**

Office of the Actuary

Social Security Administration

13-Apr-05



Table 2 b.c Unified Budget Effects

Year	Net Purchase or Sale (negative) of Equities 1/	Balancing Tax Rate & Estate Tax (2010 only)	Other Changes in OASDI CashFlow	Change in Annual UnifBudg CashFlow	Change in Debt Held by Public (EOY)	Change in Ann UnifBudg Balance
(Billions of Constant 2004\$)						
2005	0.0	0.0	0.0	0.0	0.0	0.0
2006	20.0	0.0	1.9	-18.1	18.4	-18.6
2007	22.7	0.0	5.1	-17.6	36.6	-19.0
2008	25.4	0.0	8.3	-17.1	54.9	-19.6
2009	28.0	0.0	11.8	-16.2	72.8	-19.7
2010	31.9	22.1	16.5	6.6	68.1	2.8
2011	35.4	0.0	21.4	-13.9	84.0	-18.1
2012	38.4	0.0	26.5	-11.9	98.5	-16.9
2013	41.3	0.0	31.5	-9.8	111.1	-15.5
2014	44.0	0.0	36.2	-7.8	122.1	-14.3
2015	46.4	0.0	40.8	-5.6	131.3	-12.7
2016	48.5	0.0	45.4	-3.1	138.3	-10.6
2017	50.2	0.0	50.0	-0.2	142.6	-8.2
2018	51.5	0.0	54.3	2.8	144.0	-5.4
2019	52.1	0.0	58.6	6.6	141.7	-1.6
2020	52.1	0.0	63.0	10.8	135.0	2.9
2021	51.6	0.0	67.1	15.4	123.3	8.0
2022	50.8	0.0	71.4	20.6	106.2	14.0
2023	62.1	68.8	75.5	82.2	25.9	78.4
2024	61.9	69.9	79.6	87.7	-62.3	88.7
2025	61.2	71.0	83.4	93.3	-158.8	99.6
2026	2.5	72.2	87.3	157.1	-323.0	170.8
2027	-0.4	73.4	91.4	165.2	-500.3	188.7
2028	-3.1	74.5	95.3	172.9	-690.8	207.0
2029	-5.5	75.7	99.2	180.4	-894.6	225.7
2030	-7.8	76.9	102.7	187.5	-1,111.7	244.8
2031	-10.0	78.2	106.3	194.4	-1,342.4	264.6
2032	-11.9	79.4	110.0	201.4	-1,587.0	285.1
2033	-13.5	80.7	113.8	208.1	-1,845.8	306.2
2034	-14.8	82.0	117.4	214.3	-2,118.7	327.6
2035	-16.0	83.4	120.6	219.9	-2,405.4	349.2
2036	-16.8	84.7	123.7	225.3	-2,706.2	371.4
2037	-17.4	86.1	127.1	230.6	-3,021.4	394.3
2038	-17.7	87.6	130.4	235.6	-3,351.2	417.8
2039	-17.8	89.0	133.6	240.4	-3,695.7	441.9
2040	-18.1	90.4	135.7	244.2	-4,054.4	465.8
2041	-18.4	91.8	137.6	247.8	-4,427.6	490.3
2042	-18.6	93.2	139.7	251.6	-4,815.7	515.8
2043	-18.9	94.7	141.9	255.5	-5,219.5	542.4
2044	-19.5	96.1	142.5	258.0	-5,638.0	568.4
2045	-20.3	97.4	141.9	259.6	-6,070.6	594.3
2046	-21.2	98.7	141.2	261.1	-6,517.7	621.0
2047	-22.1	100.1	140.6	262.8	-6,980.0	648.7
2048	-23.0	101.4	140.2	264.6	-7,458.0	677.4
2049	-24.1	102.7	139.5	266.4	-7,952.0	706.9
2050	-25.4	104.1	138.3	267.8	-8,462.4	737.1
2051	-27.0	105.5	136.8	269.3	-8,989.5	768.2
2052	-28.6	106.8	135.6	271.1	-9,534.3	800.6
2053	-30.3	108.3	134.5	273.1	-10,097.5	834.3
2054	-32.1	109.7	133.4	275.1	-10,679.7	869.1
2055	-34.1	111.1	131.9	277.1	-11,281.3	904.9
2056	-36.1	112.6	130.4	279.1	-11,902.9	941.9
2057	-38.2	114.0	129.0	281.3	-12,545.5	980.2
2058	-40.3	115.5	127.8	283.6	-13,209.7	1,019.9
2059	-42.3	117.0	126.7	286.0	-13,896.2	1,060.9
2060	-44.4	118.5	125.4	288.3	-14,605.7	1,103.1
2061	-46.6	120.1	124.1	290.7	-15,338.9	1,146.7
2062	-48.8	121.6	122.9	293.4	-16,096.8	1,192.0
2063	-51.3	123.2	121.8	296.3	-16,880.4	1,239.0
2064	-53.6	124.8	120.7	299.1	-17,690.3	1,287.4
2065	-55.8	126.4	119.8	302.0	-18,527.5	1,337.4
2066	-58.1	128.1	118.9	305.1	-19,393.0	1,389.1
2067	-60.5	129.7	118.1	308.3	-20,287.7	1,442.7
2068	-62.7	131.5	117.3	311.5	-21,212.4	1,497.9
2069	-64.9	133.2	116.5	314.6	-22,168.1	1,554.8
2070	-67.1	134.9	116.1	318.1	-23,155.9	1,613.8
2071	-69.2	136.7	115.7	321.6	-24,177.0	1,674.7
2072	-71.4	138.5	115.3	325.1	-25,232.3	1,737.6
2073	-73.6	140.3	114.8	328.7	-26,322.9	1,802.6
2074	-75.9	142.1	114.4	332.4	-27,449.9	1,869.6
2075	-78.2	143.9	114.3	336.4	-28,614.8	1,939.2
2076	-80.5	145.8	114.2	340.5	-29,818.8	2,010.9
2077	-82.8	147.7	114.1	344.6	-31,063.1	2,085.1
2078	-85.2	149.6	114.1	348.8	-32,348.9	2,161.6
2079	-87.6	151.5	114.0	353.2	-33,677.8	2,240.7

Based on Intermediate Assumptions of the 2004 Trustees Report  
 With Ult Real TF Yield Rate of 3.0  
 Ult Real Treas Bond Yield Rate of 3.0  
**1/Reinvestment of dividends is not included in net purchase**

Table 2 c OASDI Cash Flow to General Fund of the Treasury--- Proposal vs. Theoretical OASD

	<u>Proposal</u>				<u>Theoretical Social Security with PAYGO Transfers</u>			
	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/			
	% of Pysl	Current \$	Billions of Dollars --- PV 1-1-04 2/ Const 2004\$		% of Pysl	Current \$	Billions of Dollars --- PV 1-1-04 2/ Const 2004\$	
2004	1.4	65	63	65	1.4	65	63	65
2005	1.9	89	82	87	1.9	89	82	87
2006	2.0	99	87	96	1.9	97	85	94
2007	2.1	110	91	104	2.0	105	87	99
2008	2.1	118	93	108	2.0	109	86	100
2009	2.0	118	88	105	1.8	105	78	93
2010	2.4	147	104	128	1.7	103	73	89
2011	2.4	153	102	129	1.6	101	67	85
2012	2.2	152	96	125	1.4	91	58	75
2013	2.1	148	89	118	1.1	79	47	63
2014	1.9	143	81	111	0.9	65	37	50
2015	1.7	135	72	102	0.6	48	25	36
2016	1.5	124	63	91	0.3	27	14	20
2017	1.3	111	53	79	0.0	4	2	3
2018	1.1	95	43	66	-0.3	-22	-10	-15
2019	0.8	77	33	52	-0.6	-51	-22	-35
2020	0.6	55	22	36	-0.9	-84	-34	-55
2021	0.3	32	12	21	-1.2	-119	-45	-76
2022	0.1	8	3	5	-1.5	-155	-56	-97
2023	0.8	94	32	57	-1.8	-195	-66	-118
2024	0.6	72	23	42	-2.1	-236	-76	-139
2025	0.4	47	14	27	-2.4	-279	-85	-160
2026	0.2	22	6	12	-2.7	-324	-93	-181
2027	0.0	-3	-1	-2	-3.0	-370	-100	-201
2028	-0.2	-28	-7	-15	-3.2	-416	-106	-220
2029	-0.4	-52	-13	-27	-3.4	-463	-112	-238
2030	-0.5	-76	-17	-38	-3.6	-510	-116	-255
2031	-0.6	-100	-21	-48	-3.8	-558	-120	-271
2032	-0.7	-122	-25	-58	-4.0	-606	-123	-287
2033	-0.8	-143	-27	-66	-4.1	-653	-125	-300
2034	-0.9	-161	-29	-72	-4.2	-699	-127	-313
2035	-0.9	-178	-30	-78	-4.3	-744	-127	-324
2036	-1.0	-193	-31	-82	-4.4	-788	-127	-334
2037	-1.0	-205	-31	-84	-4.4	-831	-127	-343
2038	-1.0	-214	-31	-86	-4.5	-873	-126	-350
2039	-1.0	-222	-30	-87	-4.5	-915	-124	-357
2040	-1.0	-232	-30	-88	-4.5	-956	-123	-363
2041	-1.0	-242	-29	-89	-4.5	-1,000	-121	-369
2042	-1.0	-252	-29	-91	-4.5	-1,045	-120	-375
2043	-1.0	-263	-28	-92	-4.5	-1,091	-118	-381
2044	-1.0	-279	-28	-95	-4.5	-1,139	-116	-387
2045	-1.0	-299	-29	-99	-4.5	-1,189	-115	-393
2046	-1.0	-321	-29	-103	-4.6	-1,241	-113	-399
2047	-1.1	-344	-30	-107	-4.6	-1,297	-112	-405
2048	-1.1	-368	-30	-112	-4.6	-1,355	-110	-412
2049	-1.1	-396	-30	-117	-4.6	-1,417	-109	-419
2050	-1.2	-429	-31	-124	-4.6	-1,483	-108	-427
2051	-1.2	-468	-32	-131	-4.6	-1,555	-107	-435
2052	-1.3	-510	-33	-139	-4.7	-1,634	-106	-445
2053	-1.4	-556	-34	-147	-4.7	-1,717	-105	-455
2054	-1.4	-605	-35	-156	-4.8	-1,805	-104	-465
2055	-1.5	-660	-36	-166	-4.8	-1,899	-104	-476
2056	-1.6	-720	-37	-176	-4.9	-1,999	-103	-487
2057	-1.6	-783	-38	-186	-4.9	-2,104	-102	-499
2058	-1.7	-848	-39	-196	-5.0	-2,214	-102	-511
2059	-1.8	-916	-40	-206	-5.0	-2,328	-101	-522
2060	-1.8	-988	-40	-216	-5.1	-2,447	-100	-534
2061	-1.9	-1,065	-41	-226	-5.1	-2,574	-100	-547
2062	-2.0	-1,149	-42	-237	-5.2	-2,709	-99	-560
2063	-2.0	-1,240	-43	-249	-5.2	-2,854	-98	-574
2064	-2.1	-1,333	-43	-261	-5.3	-3,003	-98	-587
2065	-2.1	-1,427	-44	-271	-5.3	-3,157	-97	-600
2066	-2.2	-1,528	-44	-283	-5.4	-3,319	-96	-614
2067	-2.3	-1,633	-45	-294	-5.4	-3,489	-96	-628
2068	-2.3	-1,741	-45	-305	-5.5	-3,665	-95	-641
2069	-2.4	-1,853	-45	-316	-5.5	-3,847	-94	-655
2070	-2.4	-1,968	-46	-326	-5.6	-4,037	-93	-669
2071	-2.5	-2,088	-46	-336	-5.6	-4,235	-92	-682
2072	-2.5	-2,214	-46	-347	-5.7	-4,442	-92	-696
2073	-2.6	-2,347	-46	-358	-5.7	-4,660	-91	-710
2074	-2.6	-2,488	-46	-369	-5.7	-4,888	-90	-725
2075	-2.6	-2,633	-46	-380	-5.8	-5,127	-89	-740
2076	-2.7	-2,786	-46	-391	-5.8	-5,377	-88	-755
2077	-2.7	-2,947	-46	-402	-5.9	-5,640	-87	-770
2078	-2.8	-3,117	-46	-414	-5.9	-5,915	-87	-785
2079	-2.8	-3,296	-46	-426	-6.0	-6,203	-86	-801
Total 2004-78			-435				-5,225	

1/ Equals net investment in special Treasury Bonds by the Trust Funds less the Amount of General Fund transfers specified in the theoretical plan (PAYGO Transfers).

2/ PV discount at TreasBond yield

Table 2 d Change in Long-Range Trust Fund Assets / Unfunded Obligation

Year	Present Law OASDI Trust Fund Assets or If Negative, Unfunded Obligation Through EOY (1)	Revenue from Estate Tax (2)	Revenue from Balancing Tax rate (3)	Other Basic Changes in OASDI CashFlow (4)	Total Change Through End of Year without equity (5)=(2)+(3)+(4) See Note Below	Proposal OASDI Trust Fund Assets / Unfunded Obligation Through End of Year	
						W/O equity (6)	With Equity (7)
2005	1,674.6	0.0	0.0	0.0	0.0	1,674.6	1,674.6
2006	1,759.0	0.0	0.0	1.7	1.7	1,760.7	1,760.7
2007	1,845.5	0.0	0.0	4.5	6.2	1,851.7	1,851.7
2008	1,930.8	0.0	0.0	7.1	13.3	1,944.0	1,944.0
2009	2,008.4	0.0	0.0	9.8	23.1	2,031.5	2,031.5
2010	2,080.8	18.0	0.0	13.4	54.5	2,135.3	2,135.3
2011	2,148.0	18.0	0.0	17.0	89.4	2,237.4	2,237.4
2012	2,205.6	18.0	0.0	20.4	127.9	2,333.5	2,333.5
2013	2,252.4	18.0	0.0	23.6	169.5	2,422.0	2,422.0
2014	2,289.0	18.0	0.0	26.4	213.9	2,502.9	2,502.9
2015	2,314.3	18.0	0.0	28.9	260.8	2,575.1	2,575.1
2016	2,327.9	17.9	0.0	31.3	310.0	2,637.9	2,637.9
2017	2,329.7	17.9	0.0	33.4	361.3	2,691.0	2,691.0
2018	2,319.7	17.8	0.0	35.2	414.3	2,734.0	2,734.0
2019	2,297.6	17.7	0.0	37.0	469.0	2,766.7	2,766.7
2020	2,263.7	17.6	0.0	38.5	525.2	2,788.9	2,788.9
2021	2,218.5	17.5	0.0	39.9	582.6	2,801.1	2,801.1
2022	2,162.6	17.4	0.0	41.2	641.2	2,803.8	2,803.8
2023	2,096.4	17.3	38.5	42.3	739.4	2,835.8	2,835.8
2024	2,020.7	17.2	38.0	43.3	838.0	2,858.7	2,858.7
2025	1,936.1	17.2	37.5	44.1	936.8	2,872.9	2,872.9
2026	1,843.3	17.1	37.0	44.8	1,035.7	2,879.0	2,879.0
2027	1,743.3	17.1	36.5	45.5	1,134.8	2,878.1	2,878.1
2028	1,637.0	17.0	36.0	46.1	1,233.9	2,870.9	2,870.9
2029	1,525.4	17.0	35.5	46.5	1,332.9	2,858.3	2,858.3
2030	1,409.4	16.9	35.0	46.8	1,431.7	2,841.1	2,841.1
2031	1,289.5	16.9	34.6	47.0	1,530.1	2,819.6	2,819.6
2032	1,166.5	16.8	34.1	47.2	1,628.3	2,794.8	2,794.8
2033	1,041.2	16.8	33.7	47.4	1,726.2	2,767.4	2,767.4
2034	914.6	16.7	33.2	47.5	1,823.6	2,738.2	2,738.2
2035	787.2	16.7	32.8	47.4	1,920.5	2,707.7	2,707.7
2036	659.9	16.7	32.3	47.2	2,016.6	2,676.5	2,676.5
2037	533.0	16.6	31.9	47.1	2,112.2	2,645.2	2,645.2
2038	407.2	16.6	31.5	46.9	2,207.2	2,614.3	2,614.3
2039	282.7	16.5	31.1	46.6	2,301.4	2,584.1	2,584.1
2040	159.8	16.5	30.6	46.0	2,394.6	2,554.3	2,554.3
2041	38.4	16.5	30.2	45.3	2,486.5	2,524.9	2,524.9
2042	-81.4	16.4	29.8	44.6	2,577.3	2,496.0	2,496.0
2043	-199.5	16.3	29.4	44.0	2,667.0	2,467.5	2,467.5
2044	-316.0	16.1	28.9	42.9	2,755.0	2,439.0	2,439.0
2045	-430.8	16.0	28.5	41.5	2,841.0	2,410.1	2,410.1
2046	-544.1	15.9	28.0	40.1	2,925.0	2,380.9	2,380.9
2047	-655.8	15.7	27.6	38.8	3,007.0	2,351.3	2,351.3
2048	-766.0	15.6	27.1	37.5	3,087.3	2,321.3	2,321.3
2049	-874.8	15.5	26.7	36.2	3,165.7	2,290.9	2,290.9
2050	-982.4	15.3	26.3	34.9	3,242.2	2,259.7	2,259.7
2051	-1,089.0	15.2	25.8	33.5	3,316.7	2,227.7	2,227.7
2052	-1,194.8	15.1	25.4	32.2	3,389.4	2,194.6	2,194.6
2053	-1,299.7	14.9	25.0	31.1	3,460.4	2,160.7	2,160.7
2054	-1,403.9	14.8	24.6	29.9	3,529.6	2,125.7	2,125.7
2055	-1,507.4	14.7	24.2	28.7	3,597.1	2,089.7	2,089.7
2056	-1,610.3	14.5	23.8	27.5	3,663.0	2,052.6	2,052.6
2057	-1,712.7	14.4	23.4	26.5	3,727.2	2,014.5	2,014.5
2058	-1,814.4	14.3	23.0	25.5	3,789.9	1,975.6	1,975.6
2059	-1,915.3	14.1	22.6	24.5	3,851.2	1,935.9	1,935.8
2060	-2,015.6	14.0	22.2	23.5	3,911.0	1,895.4	1,895.4
2061	-2,115.1	13.9	21.9	22.6	3,969.3	1,854.2	1,854.2
2062	-2,214.1	13.8	21.5	21.7	4,026.3	1,812.2	1,812.2
2063	-2,312.6	13.6	21.2	20.9	4,082.0	1,769.4	1,769.4
2064	-2,410.5	13.5	20.8	20.1	4,136.5	1,726.0	1,725.9
2065	-2,507.7	13.4	20.5	19.4	4,189.7	1,682.1	1,682.0
2066	-2,604.1	13.3	20.1	18.7	4,241.8	1,637.7	1,637.6
2067	-2,699.9	13.1	19.8	18.0	4,292.8	1,592.8	1,592.8
2068	-2,794.9	13.0	19.5	17.4	4,342.6	1,547.7	1,547.7
2069	-2,889.1	12.9	19.2	16.8	4,391.5	1,502.3	1,502.3
2070	-2,982.5	12.8	18.8	16.2	4,439.3	1,456.8	1,456.8
2071	-3,075.0	12.7	18.5	15.7	4,486.2	1,411.2	1,411.2
2072	-3,166.6	12.6	18.2	15.2	4,532.2	1,365.6	1,365.5
2073	-3,257.4	12.5	17.9	14.7	4,577.2	1,319.8	1,319.8
2074	-3,347.3	12.3	17.6	14.2	4,621.4	1,274.1	1,274.0
2075	-3,436.4	12.2	17.3	13.8	4,664.7	1,228.3	1,228.3
2076	-3,524.7	12.1	17.0	13.4	4,707.2	1,182.6	1,182.5
2077	-3,612.1	12.0	16.8	13.0	4,749.0	1,136.9	1,136.8
2078	-3,698.7	11.9	16.5	12.6	4,789.9	1,091.3	1,091.2
Total 2004-2078		1,072.6	1,485.5	2,231.8			

Note: PV discount at TreasBond yield, except col (7) where PV discount at TF yield with equity return:

Based on Intermediate Assumptions of the 2004 Trustees Report

With Ult Real TF Yield Rate of 3.0

Ult Real Treas Bond Yield Rate of 3.0

Office of the Actuary

Social Security Administration

April 13, 2005

Table 2 e Projected OASDI Taxable Payroll

Calendar Year	OASDI Effective Taxable Payroll		Percent Change in Taxable Payroll Under the Proposal
	Present Law	Proposal	
	(billions of nominal dollars)		
2004	4,501	4,501	0.0 %
2005	4,730	4,730	0.0
2006	4,985	5,002	0.3
2007	5,244	5,280	0.7
2008	5,511	5,566	1.0
2009	5,784	5,862	1.4
2010	6,065	6,180	1.9
2011	6,354	6,509	2.4
2012	6,646	6,845	3.0
2013	6,946	7,191	3.5
2014	7,258	7,548	4.0
2015	7,583	7,920	4.4
2016	7,919	8,305	4.9
2017	8,268	8,706	5.3
2018	8,630	9,120	5.7
2019	9,005	9,550	6.1
2020	9,391	9,994	6.4
2021	9,794	10,456	6.8
2022	10,209	10,935	7.1
2023	10,640	11,432	7.4
2024	11,085	11,946	7.8
2025	11,545	12,475	8.1
2026	12,024	13,028	8.3
2027	12,527	13,612	8.7
2028	13,054	14,224	9.0
2029	13,599	14,856	9.2
2030	14,166	15,512	9.5
2031	14,758	16,199	9.8
2032	15,381	16,927	10.1
2033	16,033	17,690	10.3
2034	16,714	18,483	10.6
2035	17,418	19,304	10.8
2036	18,153	20,163	11.1
2037	18,923	21,069	11.3
2038	19,728	22,016	11.6
2039	20,569	23,004	11.8
2040	21,442	24,019	12.0
2041	22,353	25,078	12.2
2042	23,302	26,188	12.4
2043	24,292	27,349	12.6
2044	25,321	28,515	12.6
2045	26,386	29,711	12.6
2046	27,491	30,955	12.6
2047	28,642	32,251	12.6
2048	29,842	33,607	12.6
2049	31,085	35,003	12.6
2050	32,374	36,454	12.6
2051	33,719	37,965	12.6
2052	35,120	39,545	12.6
2053	36,579	41,193	12.6
2054	38,101	42,906	12.6
2055	39,682	44,683	12.6
2056	41,324	46,531	12.6
2057	43,036	48,460	12.6
2058	44,817	50,471	12.6
2059	46,670	52,558	12.6
2060	48,600	54,729	12.6
2061	50,605	56,984	12.6
2062	52,699	59,345	12.6
2063	54,883	61,809	12.6
2064	57,155	64,367	12.6
2065	59,520	67,030	12.6
2066	61,964	69,783	12.6
2067	64,511	72,655	12.6
2068	67,183	75,665	12.6
2069	69,970	78,802	12.6
2070	72,868	82,068	12.6
2071	75,881	85,464	12.6
2072	79,015	88,995	12.6
2073	82,282	92,675	12.6
2074	85,685	96,508	12.6
2075	89,221	100,496	12.6
2076	92,900	104,638	12.6
2077	96,727	108,951	12.6
2078	100,711	113,439	12.6
2079	104,859	118,125	12.7