

Detailed Single Year Tables

Category of Change: Trust Fund Investment in Equities

Proposed Provision: G5. Invest 15 percent of the OASI and DI Trust Fund reserves in equities (phased in 2020-2029), assuming an ultimate 2.5 percent annual real rate of return on equities. Thus, the ultimate rate of return on equities is the same as that assumed for Trust Fund bonds.

Proposal					Change from Current Law			
Expressed as a percentage of current-law taxable payroll					Expressed as a percentage of current-law taxable payroll			
Year	Cost Rate	Income Rate	Annual Balance	Trust Fund Ratio 1-1-year	Cost Rate	Income Rate	Annual Balance	
2019	13.91	12.85	-1.06	273	0.00	0.00	0.00	
2020	13.94	12.87	-1.07	260	0.00	0.00	0.00	
2021	14.09	12.90	-1.19	245	0.00	0.00	0.00	
2022	14.23	12.92	-1.31	229	0.00	0.00	0.00	
2023	14.40	12.94	-1.46	213	0.00	0.00	0.00	
2024	14.59	12.97	-1.62	197	0.00	0.00	0.00	
2025	14.79	12.99	-1.80	180	0.00	0.00	0.00	
2026	14.99	13.11	-1.88	163	0.00	0.00	0.00	
2027	15.19	13.13	-2.06	147	0.00	0.00	0.00	
2028	15.43	13.17	-2.26	130	0.00	0.00	0.00	
2029	15.63	13.19	-2.44	114	0.00	0.00	0.00	
2030	15.81	13.20	-2.60	97	0.00	0.00	0.00	
2031	15.97	13.22	-2.75	80	0.00	0.00	0.00	
2032	16.11	13.23	-2.88	63	0.00	0.00	0.00	
2033	16.23	13.24	-2.99	46	0.00	0.00	0.00	
2034	16.33	13.25	-3.08	28	0.00	0.00	0.00	
2035	16.40	13.25	-3.15	10	0.00	0.00	0.00	
2036	16.46	13.26	-3.20	---	0.00	0.00	0.00	
2037	16.52	13.26	-3.25	---	0.00	0.00	0.00	
2038	16.57	13.27	-3.30	---	0.00	0.00	0.00	
2039	16.60	13.27	-3.33	---	0.00	0.00	0.00	
2040	16.62	13.27	-3.34	---	0.00	0.00	0.00	
2041	16.61	13.27	-3.34	---	0.00	0.00	0.00	
2042	16.59	13.27	-3.32	---	0.00	0.00	0.00	
2043	16.56	13.27	-3.28	---	0.00	0.00	0.00	
2044	16.52	13.27	-3.25	---	0.00	0.00	0.00	
2045	16.49	13.27	-3.22	---	0.00	0.00	0.00	
2046	16.45	13.27	-3.18	---	0.00	0.00	0.00	
2047	16.43	13.27	-3.16	---	0.00	0.00	0.00	
2048	16.40	13.27	-3.13	---	0.00	0.00	0.00	
2049	16.38	13.27	-3.11	---	0.00	0.00	0.00	
2050	16.37	13.27	-3.10	---	0.00	0.00	0.00	
2051	16.36	13.27	-3.09	---	0.00	0.00	0.00	
2052	16.36	13.27	-3.09	---	0.00	0.00	0.00	
2053	16.37	13.27	-3.10	---	0.00	0.00	0.00	
2054	16.39	13.28	-3.11	---	0.00	0.00	0.00	
2055	16.41	13.28	-3.13	---	0.00	0.00	0.00	
2056	16.44	13.28	-3.16	---	0.00	0.00	0.00	
2057	16.48	13.28	-3.20	---	0.00	0.00	0.00	
2058	16.53	13.29	-3.24	---	0.00	0.00	0.00	
2059	16.58	13.29	-3.28	---	0.00	0.00	0.00	
2060	16.63	13.30	-3.33	---	0.00	0.00	0.00	
2061	16.68	13.30	-3.38	---	0.00	0.00	0.00	
2062	16.73	13.31	-3.43	---	0.00	0.00	0.00	
2063	16.79	13.31	-3.48	---	0.00	0.00	0.00	
2064	16.84	13.31	-3.53	---	0.00	0.00	0.00	
2065	16.90	13.32	-3.58	---	0.00	0.00	0.00	
2066	16.95	13.32	-3.63	---	0.00	0.00	0.00	
2067	17.01	13.33	-3.69	---	0.00	0.00	0.00	
2068	17.07	13.33	-3.74	---	0.00	0.00	0.00	
2069	17.13	13.33	-3.80	---	0.00	0.00	0.00	
2070	17.20	13.34	-3.86	---	0.00	0.00	0.00	
2071	17.25	13.34	-3.91	---	0.00	0.00	0.00	
2072	17.30	13.35	-3.96	---	0.00	0.00	0.00	
2073	17.35	13.35	-4.00	---	0.00	0.00	0.00	
2074	17.39	13.35	-4.04	---	0.00	0.00	0.00	
2075	17.43	13.36	-4.07	---	0.00	0.00	0.00	
2076	17.46	13.36	-4.10	---	0.00	0.00	0.00	
2077	17.48	13.36	-4.12	---	0.00	0.00	0.00	
2078	17.48	13.36	-4.12	---	0.00	0.00	0.00	
2079	17.48	13.36	-4.12	---	0.00	0.00	0.00	
2080	17.46	13.36	-4.10	---	0.00	0.00	0.00	
2081	17.44	13.36	-4.08	---	0.00	0.00	0.00	
2082	17.42	13.36	-4.06	---	0.00	0.00	0.00	
2083	17.40	13.36	-4.04	---	0.00	0.00	0.00	
2084	17.38	13.36	-4.02	---	0.00	0.00	0.00	
2085	17.36	13.35	-4.00	---	0.00	0.00	0.00	
2086	17.34	13.35	-3.99	---	0.00	0.00	0.00	
2087	17.33	13.35	-3.98	---	0.00	0.00	0.00	
2088	17.33	13.35	-3.97	---	0.00	0.00	0.00	
2089	17.34	13.35	-3.98	---	0.00	0.00	0.00	
2090	17.36	13.35	-4.00	---	0.00	0.00	0.00	
2091	17.39	13.36	-4.03	---	0.00	0.00	0.00	
2092	17.43	13.36	-4.07	---	0.00	0.00	0.00	
2093	17.47	13.36	-4.11	---	0.00	0.00	0.00	
2094	17.52	13.36	-4.16	---	0.00	0.00	0.00	

Summarized Estimates: Proposal				
Year	Cost Rate	Income Rate	Actuarial Balance	Year of reserve depletion ¹
-2093	16.60% ²	13.81% ²	-2.78% ²	2035

Summarized Estimates: Change from Current Law			
Year	Cost Rate	Income Rate	Actuarial Balance
-2093	0.00% ²	0.00% ²	0.00% ²

¹ Under current law, the year of Trust Fund reserve depletion is 2035.

² A change in the investment of trust fund reserves to include some equities affects the size of all summarized measures because increased "present-value" discounting reduces the weight on values for more distant future years. As a result, the magnitude of the current-law actuarial balance and the summarized effects of most proposals is reduced. Therefore, the size of the change in the long-range actuarial balance indicated here cannot be interpreted directly as a reduction in the shortfall. The actual reduction in the shortfall from equity investment depends on the amount of reserves that are available for investment throughout the period. For example, if provisions to change revenue or scheduled benefits resulted in a purely pay-as-you-go system (reserves just above zero throughout the period), then investment in equities would have no effect on the actuarial balance.